



(Please scan this QR Code to view the Prospectus)



AVAX APPARELS AND ORNAMENTS LIMITED
CIN: U14101DL2005PLC137127

PROSPECTUS

Dated: December 26, 2024
Please read 32 of the Companies Act, 2013
(This Prospectus will be updated
upon filing with the RoC)
Fixed Price Issue

| Registered Office | Contact Person | Telephone and Email | Website |
|--|---|---|---|
| 611 6 th Floor Jaina Tower II Distt. Centre Janakpuri, West Delhi, Delhi- 110058 | Shruti Jain, Company Secretary and Compliance Officer | Tel: +011-44750642/ +91-9599497767 Email: secretarial@avaxapparels.com | https://www.avaxapparels.com |

OUR PROMOTERS

(i) HARINDERPAL SINGH SODHI (ii) HARISH KUMAR

DETAILS OF THE ISSUE

| TYPE | FRESH ISSUE SIZE | OFFER FOR SALE (₹ IN LAKHS) | TOTAL ISSUE (₹ IN LAKHS) | ELIGIBILITY & SHARE ALLOCATION |
|-------------|--|-----------------------------|--------------------------|---|
| Fresh Issue | Upto 274,000 Equity shares aggregating to ₹ 191.80 Lakhs | Nil | 191.80 | This issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. For details in relation to share allocation among NIIs and RIIs, please refer to "The Issue" on page 36 |

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION
NIL

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- each and the Issue Price is 7 times the Face Value. The Issue Price of ₹70/- per equity share (determined and justified by our Company in consultation with the Lead Manager) as stated in "Basis for Issue Price" on page 66 of this Prospectus should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the "Risk Factors" beginning on page 16 of this Prospectus.


ISSUER'S ABSOLUTE RESPONSIBILITY

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


LISTING

The Equity Shares Issued through the Prospectus are proposed to be listed on the SME Platform of BSE (BSE SME) in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be BSE Limited ("BSE")

LEAD MANAGER TO THE ISSUE

| Name | Contact Persons | Email & Telephone No. |
|--|--|---|
|  SKI CAPITAL SERVICES LIMITED | Mr. Manick Wadhwa Mr. Ghanisht Nagpal | Email: aaolipo@skicapital.net Tel. No.: +91-011-41189899 |

REGISTRAR TO THE ISSUE

| Name | Contact Person | Email & Telephone No. |
|--|-----------------|---|
|  SKYLINE FINANCIAL SERVICES PRIVATE LIMITED | Mrs. Rati Gupta | Email: ipo@skylinerta.com Tel No: 011-26812682 |

ISSUE PROGRAMME

| | |
|--|---|
| ISSUE OPENS ON: 07 January 2025 | ISSUE CLOSES ON: 09 January 2025 |
|--|---|



AVAX APPARELS AND ORNAMENTS LIMITED

CIN: U14101DL2005PLC137127

Our Company was originally incorporated on June 2, 2005 as a private limited company under the name and style of "Ethnic Designers Private Limited" under the provisions of Companies Act, 1956 with the Registrar of Companies, NCT of Delhi & Haryana. Further, the Object of the Company was changed vide a fresh Certificate of Incorporation dated October 4, 2021 issued by Registrar of Companies, NCT of Delhi & Haryana. Subsequently, the name of the Company was changed to Avax Soft Technologies Private Limited vide a fresh Certificate of Incorporation dated October 11, 2021 issued by Registrar of Companies, NCT of Delhi & Haryana. Further, our Company was converted into a public limited company and the name of the Company was changed to Avax Soft Technologies Limited vide a fresh Certificate of Incorporation dated November 18, 2022. Object of the Company was changed vide a fresh Certificate of Incorporation dated May 15, 2023 and the name of the Company was changed to Avax Apparels and Ornaments Limited vide a fresh Certificate of Incorporation dated June 15, 2023 issued by Registrar of Companies, NCT of Delhi & Haryana vide CIN U14101DL2005PLC137127. For further details, please refer to "Our History and Certain Other Corporate Matters" on page 107 of the Prospectus.

Registered Office: 611 6th Floor Jaina Tower II Distt. Centre Janakpuri, West Delhi, Delhi- 110058Tel No: +011-44750642/ +91-9599497767; Email: secretarial@avaxapparels.com;Contact Person: Shruti Jain, Company Secretary & Compliance Officer; Website: <https://www.avaxapparels.com>

OUR PROMOTERS: (i) HARINDERPAL SINGH SODHI (ii) HARISH KUMAR

DETAILS OF THE ISSUE

INITIAL PUBLIC OFFER OF 2,74,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF AVAX APPARELS AND ORNAMENTS LIMITED ("OUR COMPANY" OR "AAOL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ 70 PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ 191.80 LAKHS ("PUBLIC ISSUE") OUT OF WHICH 14,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ 70 PER EQUITY SHARE FOR CASH, AGGREGATING ₹ 9.8 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 2,60,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ 70 PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ 182 LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.36% AND 25.02% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO "THE ISSUE" BEGINNING ON PAGE 36 OF THIS PROSPECTUS.

This issue is being made through a fixed price process in terms of Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations") as amended and Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (THE "SCRR"). This issue has been made for at least 25.00% of the post-issue paid-up equity share capital of our company and allocation in the net issue to the public will be made in terms of regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended. For further details, please refer to "The Issue" on page 36 of this Prospectus. A copy of the Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 26 of the Companies Act, 2013.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015 all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self-Certified Syndicate Banks ("SCSBs") for the same. Further pursuant to SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, for implementation of Phased II for the UPI facility, which is effective from July 01, 2019, all potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts or UPI ID (in case of RIIs), in which the corresponding Application Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. For details, please refer "Issue Procedure" beginning on page 234 of this Prospectus.

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to "Issue Procedure" beginning on page 234 of this Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- per Equity Share and the Issue Price is 7 times the Face Value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "Basis for Issue Price" beginning on page 66 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involves a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 16 of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares Issued through this Prospectus are proposed to be listed on the SME Platform of BSE (BSE SME) in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an "in-principle" approval letter dated August 08 from BSE Limited ("BSE") for using its name in the Offer Document for the listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER TO THE ISSUE



SKI CAPITAL SERVICES LIMITED
SEBI Registration No.: INM000012768
Address: 718, Dr Joshi Road, Karol Bagh, New Delhi- 110005
Telephone No: +91-011-45046026
Website: skicapital.net
Email ID: aaolipo@skicapital.net
Contact Person: Mr. Manick Wadhwa / Mr. Ghanisht Nagpal

REGISTRAR TO THE ISSUE



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
SEBI Registration No.: INR000003241
Address: Office No. D-153 A, 1st Floor, Okhla Industrial Area, New Delhi - 110020
Tel No: +91-011-26812682
Website: skylinerta.com
Email ID: ipo@skylinerta.com
Contact Person: Mrs. Rati Gupta

ISSUE PROGRAMME

ISSUE OPENS ON: 07 January 2025

ISSUE CLOSES ON: 09 January 2025

THIS PAGE HAS BEEN KEPT BLANK PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018

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SECTION I -GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto.

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable. Notwithstanding the preceding, terms in "Main Provisions of the Articles of Association", "Statement of Special Tax Benefits", "Our Industry", "Key Regulations and Policies", "Financial Information", "Outstanding Litigations and Other Material Developments", will have the meaning ascribed to such terms in these respective sections.

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

General Terms

| Term | Description |
|--|---|
| "AAOL", "our Company", "the Issuer", "the Company", "Avax Apparels and Ornaments Limited" and "Avax" | Unless the context otherwise requires, this refers to Avax Apparels and Ornaments Limited, a company incorporated under the Companies Act, 1956 having its registered office at 611 6 th Floor Jaina tower 2, Distt Center Janakpuri, Delhi - 110058, India. |
| "we", "us" and "our" | Unless the context otherwise requires, refers to our Company. |
| "you", "your" or "yours" | Prospective investors in this Issue. |

Company Related Terms

| Terms | Description |
|--|--|
| Articles / Articles of Association | Unless the context otherwise requires, refer to the Articles of Association of Avax Apparels and Ornaments Limited, as amended from time to time. |
| Audit Committee | The committee of the Board of Directors constituted as the Company's Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the rules made thereunder. |
| Auditors/ Statutory Auditors | The Statutory Auditors of our Company, Arvind Manoj and Associates, Chartered Accountants. |
| Board of Directors / Board | The Board of Directors of Avax Apparels and Ornaments Limited, including all duly constituted Committees thereof. |
| Companies Act | The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed. |
| Company Secretary and Compliance Officer | The Company Secretary and Compliance Officer of our Company is Mrs. Shruti Jain. |
| Chief Financial Officer | The Chief Financial Officer of our Company is Mr. Rajesh Singla. |
| CIN | Corporate Identification Number of our Company i.e., U14101DL2005PLC137127 |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| Director(s) | The Director(s) of our Company, unless otherwise specified. |
| Equity Shares | Equity Shares of our Company of Face Value of ₹10/- each unless otherwise specified in the context thereof. |
| Equity Shareholders | Persons/ Entities holding Equity Shares of our Company. |
| Executive Directors | Directors are the Managing Director, Whole Time Directors or a director who has been in the employment of the Company on a full-time basis. |

| Terms | Description |
|---|--|
| Group Companies | Companies with which there were related party transactions as disclosed in the Restated Financial Statements, as covered under the applicable accounting standards and other companies as considered material by our Board in terms of the Materiality Policy and as outlined in “ Our Group Companies ” on page 133 of this Prospectus. |
| Independent Director | Independent Director as per the Companies Act, 2013 and the Listing Regulations. |
| ISIN | International Securities Identification Number. In this case, being INE0NQ401016. |
| HUF | Hindu Undivided Family. |
| Ind AS | The Indian Accounting Standards (Ind AS), as notified under section 133 of the Companies Act 2013. |
| Key Managerial Personnel / Key Managerial Employees | The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in “ Our Management ” on page 112 of this Prospectus. |
| Materiality Policy | The policy on the identification of group companies, material creditors and material litigation, was adopted by our Board on December 23, 2022, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018. |
| MD or Managing Director | The Managing Director of our Company is Mr. Harinderpal Singh Sodhi. |
| MOA / Memorandum / Memorandum of Association | Memorandum of Association of Avax Apparels and Ornaments Limited. |
| Non-Residents | A person resident outside India, as defined under FEMA Regulations, 2000. |
| NRIs / Non-Resident Indians | A person outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin. |
| Peer Reviewed Auditor | Being NKSC & Co., Chartered Accountants, holding a valid peer review certificate, as mentioned in “ General Information ” of this Prospectus. |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Promoters | Mr. Harinderpal Singh Sodhi & Mr. Harish Kumar. For further details, please refer to “ Our Promoters ” on page 128 of this Prospectus. |
| Promoters Group | The companies, individuals and entities (other than companies) as defined under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, which is provided in “ Our Promoter Group ”. For further details refer to page 132 of this Prospectus. |
| Registered Office | The Registered of our Company is located at 611 6 th Floor Jana Tower II Distt. Centre Janakpuri, West Delhi, Delhi- 110058. |
| Restated Financial Statements | The Restated Financial statements of our Company, which comprise the restated statement of assets and liabilities and the restated statements of profit and loss and the restated cash flow for the period ended 30 th September 2024, 31st March 2024, 31st March 2023 and 31st March 2022 of our Company prepared in accordance with Indian Accounting Standards (Ind AS), as notified under section 133 of the Companies Act 2013 and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto. |
| RoC | Registrar of Companies, Delhi & Haryana. |
| SEBI | Securities and Exchange Board of India is constituted under the SEBI Act, 1992. |
| SEBI Act | Securities and Exchange Board of India Act 1992, as amended from time to time. |
| SEBI (ICDR) Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. |
| SEBI (LODR) Regulations | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. |
| SEBI (Takeover) Regulations | SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time. |

| Terms | Description |
|----------------|--|
| Stock Exchange | Unless the context requires otherwise, refers to, the SME Platform of BSE Limited. |

Offer Related Terms

| Terms | Description |
|--|---|
| Acknowledgement Slip | The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form. |
| Allotment/ Allot/ Allotted | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Applicants. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee | The successful applicant to whom the Equity Shares are being/have been allotted. |
| Applicant | Any prospective investor who makes an application for Equity Shares of our Company in terms of this Prospectus. |
| Application Amount | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Prospectus. |
| Application Form | The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue. |
| ASBA/ Application Supported by Blocked Amount. | Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB. |
| ASBA Account | Account maintained with an SCSB and specified in the Application Form which will be blocked by such SCSB or account of the RIIs blocked upon acceptance of UPI Mandate request by RIIs using the UPI mechanism to the extent of the appropriate Bid / Application Amount in relation to a Bid / Application by an ASBA Applicant. |
| ASBA Application Location(s)/ Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Baroda and Surat. |
| ASBA Investor/ASBA applicant | Any prospective investor(s)/applicants(s) in this Issue who apply(ies) through the ASBA process. |
| Banker(s) to the Issue/ Public Issue Bank(s). | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case Axis Bank Limited. |
| Basis of Allotment | The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under “ <i>Issue Procedure</i> ” beginning on page 234 of this Prospectus. |
| Controlling Branch | Such branch of the SCSBs coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at http://www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time. |
| Demographic Details | The demographic details of the Applicants such as their address, PAN, occupation and bank account details. |
| Depository Participant | A Depository Participant as defined under the Depositories Act, 1996. |
| Designated Branches | Such branches of the SCSBs shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time. |
| Designated Date | The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transferred to the successful Applicants. |
| Designated Stock Exchange | SME Platform of BSE Limited. |
| Eligible NRIs | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein. |

| Terms | Description |
|--|---|
| SME Platform of BSE Limited | The SME Platform of BSE Limited for listing equity shares are offered under Chapter IX of the SEBI (ICDR) Regulation which was approved by SEBI as an SME Exchange. |
| First/ Sole Applicant | The Applicant whose name appears first in the Application Form or Revision Form. |
| Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/Initial Public Offering/ IPO | Initial Public Issue of 2,74,000 Equity Shares of the face value of ₹10/- each fully paid up of our Company for cash at a price of ₹ 70/- per Equity Share (including a premium of ₹ 60/- per Equity Share) aggregating ₹ 191.80 Lakh. |
| Issue Agreement | The agreement dated February 1, 2023, between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Closing Date | The date on which Issue closes for subscription. |
| Issue Opening Date | The date on which Issue opens for subscription. |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application. |
| Issue Price | The price at which the Equity Shares are being issued by our Company under this Prospectus is ₹ 70/- per Equity Share with a face value of ₹10/- each fully paid. |
| Issue Proceeds | Proceeds from the Issue that will be available to our Company, are ₹ 191.80 Lakh. |
| LM / Lead Manager | Lead Manager to the Issue, in this case, SKI Capital Services Limited. |
| Listing Agreement | The Equity Listing Agreement is to be signed between our Company and BSE Limited. |
| Market Maker | Market Makers are appointed by our Company from time to time. SKI Capital Services Limited, who have agreed to receive or deliver the specified securities in the market-making process for three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time. |
| Market-Making Agreement | The Agreement entered into between the Lead Manager, Market Maker and our Company dated November 14, 2024. |
| Market Maker Reservation | The Reserved Portion of 14,000 Equity Shares of the face value of ₹10/- each fully paid for cash at a price of ₹ 70/- per Equity Share aggregating ₹ 9.80 Lakh for the Market Maker in this Issue. |
| Mutual Fund(s) | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| Net Issue/ Offer | The Issue (excluding the Market Maker Reservation Portion) of 2,60,000 Equity Shares of ₹10/- each of Issuer at ₹70/- (including a share premium of ₹ 60/-) per Equity Share aggregating to ₹ 182 Lakh. |
| Net Proceeds | The Issue Proceeds, less the Issue-related expenses, received by the Company. For information about the use of the Issue Proceeds and the Issue expenses, please refer to “ <i>Objects of the Issue</i> ” beginning on page 60 of this Prospectus. |
| Non-Institutional Applicants | All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than ₹2,00,000. |
| OCB / Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue. |
| Payment through electronic transfer of funds | Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable. |
| Public Issue Account | Account opened with the Banker to the Issue/Public Issue Bank i.e., Axis Bank Limited by our Company to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date. |
| Prospectus | The Prospectus, which is filed with the RoC contains, inter alia, the Issue opening and closing dates and other information. |
| Qualified Institutional Buyers / QIBs | As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral |

| Terms | Description |
|--|---|
| | development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, a provident fund with minimum corpus of ₹ 2,500 Lakh, pension fund with minimum corpus of ₹ 2,500 Lakh, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India. |
| Refund Account | Account(s) to which monies are to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur. |
| Refund Bank | The bank(s) which is/are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Refund Account for the Issue will be opened in case listing of the Equity Shares does not occur, in this case, Axis Bank Limited. |
| Refunds through electronic transfer of funds | Mean refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable. |
| Registrar/ Registrar to the Offer | Registrar to the Offer is Skyline Financial Services Private Limited. For more information, please refer to “ General Information ” on page 40 of this Prospectus. |
| Regulations | Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time. |
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for Equity Shares of a value of not more than ₹ 2,00,000. |
| SCSB | Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offers the service of making Application/s Supported by Blocked Amount including the blocking of bank account and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html or at such other website as may be prescribed by SEBI from time to time. |
| Sponsor Bank | Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI to push the mandate collect requests and/or payment instructions of the retail investors into the UPI. In this case Axis Bank Limited. |
| Underwriter | Underwriter for this Issue is SKI Capital Services Limited. |
| Underwriting Agreement | The agreement dated August 1, 2024, entered into between SKI Capital Services Limited and our Company. |
| Working Days | In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in this Prospectus are open for business 1. However, in respect of the announcement of the price band and bid/ Offer period, the working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Prospectus are open for business 2. With respect to the period between the bid/ Offer closing date and the listing of the specified securities on the stock exchange, a working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with the circular issued by SEBI. |

Conventional Terms / General Terms / Abbreviations

| Abbreviation | Full Form |
|---------------------|---|
| A/c | Account |
| ACS | Associate Company Secretary |
| AGM | Annual General Meeting |
| AS | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Applications Supported by Blocked Amount |

| | |
|----------------------------|--|
| AY | Assessment Year |
| BSE | BSE Limited (formerly known as Bombay Stock Exchange Limited) |
| CAGR | Compounded Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| DIN | Director Identification Number |
| DP | Depository Participant |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| EPS | Earnings Per Share |
| FEMA | Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder. |
| FIIIs | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India. |
| FIPB | Foreign Investment Promotion Board |
| F&NG | Father and Natural Guardian |
| FY / Fiscal/Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| GDP | Gross Domestic Product |
| GoI/Government | Government of India |
| HUF | Hindu Undivided Family |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| ICSI | Institute of Company Secretaries Of India |
| MAPIN | Market Participants and Investors' Integrated Database |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MoF | Ministry of Finance, Government of India |
| MOU | Memorandum of Understanding |
| NA | Not Applicable |
| NAV | Net Asset Value |
| NGT | National Green Tribunal |
| NPV | Net Present Value |
| NRE Account | Non Resident External Account |
| NRO Account | Non Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| OCB | Overseas Corporate Bodies |
| p.a. | per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAC | Persons Acting in Concert |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| QIC | Quarterly Income Certificate |
| RBI | The Reserve Bank of India |
| ROE | Return on Equity |
| RONW | Return on Net Worth |
| Bn | Billion |
| ₹ | Rupees, the official currency of the Republic of India |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contract (Regulation) Act, 1956, as amended from time to time |
| SCRRI | Securities Contracts (Regulation) Rules, 1957, as amended from time to time. |
| Sec. | Section |
| STT | Securities Transaction Tax |

| | |
|----------------------------|--|
| US/United States | United States of America |
| USD/ US\$/ \$ | United States Dollar, the official currency of the United States of America |
| UPI | Unified payments interface which is an instant payment mechanism, developed by NPCI |
| UPI Circulars | The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022 and any subsequent circulars or notifications issued by SEBI in this regard. |
| UPI ID | ID was created on Unified Payment Interface (UPI) for a single-window mobile payment system developed by the National Payments Corporation of India (NPCI). |
| UPI Mandate Request | The request initiated by the Sponsor Bank and received by an RII using the UPI Mechanism to authorise the blocking of funds on the UPI mobile or other application equivalent to the Bid Amount and subsequent debit of funds in case of Allotment |
| UPI Mechanism | The bidding mechanism that may be used by an RII to make an application in the Issue in accordance with the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018. |
| UPI PIN | Password to authenticate UPI transaction. |
| VCF / Venture Capital Fund | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Possible Tax Benefits”, “Our Industry”, “Key Regulations and Policies”, “Financial Information”, “Outstanding Litigations and Material Developments” and “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.

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PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian Accounting Standards and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in “*Financial Information*” beginning on page 137 of this Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian Accounting Standards and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on the 1st April of each year and ends on the 31st March of the next year. All references to a particular fiscal year are to the 12 months ended 31st March of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points. There are significant differences between Indian Accounting Standards, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian Accounting Standards. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian Accounting Standards and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in “*Financial Information*” beginning on page 137 of this Prospectus.

Currency and units of presentation

In this Prospectus, references to “Rupees” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America. All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

Industry and Market Data

Unless stated otherwise, industry data used throughout the Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that the industry data used in the Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in the Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data-gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI (ICDR) Regulations, “*Basis for Issue Price*” on page 66 of this Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we nor the LM, have independently verified such information.

FORWARD LOOKING STATEMENTS

All statements contained in this Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Prospectus regarding matters that are not historical facts. We have included statements in the Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. Uncertainty in relation to the continuing effect of the COVID-19 pandemic on our business and operations.
2. Destruction in our manufacturing process.
3. Our ability to successfully implement our strategy, our growth and expansion, and technological changes.
4. Fail to attract, retain and manage the transition of our management team and other skilled & unskilled employees;
5. Our ability to protect our intellectual property rights and not infringing the intellectual property rights of other parties;
6. Ability to respond to technological changes;
7. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
8. Inability to successfully obtain registrations in a timely manner or at all;
9. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
10. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
11. Recession in the market;
12. Changes in laws and regulations relating to the industries in which we operate;
13. Effect of lack of infrastructure facilities on our business;
14. Our ability to successfully implement our growth strategy and expansion plans;
15. Our ability to meet our capital expenditure requirements;
16. Our ability to attract, retain and manage qualified personnel;
17. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
18. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
19. 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;
20. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
21. Conflicts of interest with affiliated companies, the promoter group and other related parties;
22. The performance of the financial markets in India and globally;
23. Any adverse outcome in the legal proceedings in which we are involved;
24. Our ability to expand our geographical area of operation;
25. Concentration of ownership among our Promoters.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 16, 88 and 195 respectively of this Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

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SECTION II-SUMMARY OF OFFER DOCUMENTS

SUMMARY OF OUR BUSINESS

Our Company operates within two distinct business segments, namely, the wholesale trading of knitted cloth, and the online retail of silver ornaments.

Our wholesale trading business is based in the Punjab region of India. We specialize in sourcing and supplying knitted cloth. We have a strong presence in the local market and we have established relationships with many suppliers and manufacturers in the region. We are known for our competitive prices and high-quality products. We always keep in mind the latest fashion trends while sourcing our products. We are committed to providing excellent customer service, timely delivery and building long-term relationships with our clients.

Our online retail of silver ornaments business is conducted through our e-commerce portal <https://blushines.com/>. We offer a wide variety of silver jewellery items including necklaces, bracelets, earrings, and rings. All of our products are made of high-quality sterling silver. We also provide an option for customization for our customers. Our e-commerce portal is user-friendly and secure, making it easy for customers to browse and purchase our products. We are knowledgeable about the latest fashion trends and can help customers find the perfect piece of jewellery to suit their needs. Our mission is to provide customers with beautiful and affordable silver jewellery, and we strive to make every customer happy with their purchase.

SUMMARY OF OUR INDUSTRY

Wholesale trading in India is a significant industry that employs a large number of workers, mostly in the informal sector. It provides livelihoods for many families across the country and is an important contributor to India's economy. The sector is primarily concentrated in large cities and towns, with significant activity in places like Mumbai, Kolkata, and Delhi. The wholesale trading industry in India traditionally includes textiles, garments, and handicrafts, but it has grown to encompass a wide range of goods in recent years. The industry has faced challenges due to increasing competition from other countries and changes in global trade policies, as well as the impact of e-commerce. However, it continues to be a major source of employment and an important part of India's economy.

Online retail of silver ornaments in India has also become increasingly popular in recent years. The growth of e-commerce in India has made it possible for consumers to shop for silver ornaments from the comfort of their own homes. This has been especially beneficial for consumers living in remote areas or smaller towns where access to silver ornament retail outlets may be limited. The online retail of silver ornaments has also provided a new sales channel for small businesses and independent artisans, allowing them to reach a wider audience and grow their businesses. In this way, online retail has expanded the market and provided opportunities for more players in the industry.

For detailed information please refer to “*Our Industry*” and “*Our Business*” on page number 71 and 88 respectively of this Prospectus.

PROMOTERS

The Promoters of our Company are Mr Harinderpal Singh Sodhi & Mr Harish Kumar.

For detailed information please refer to “*Our Promoters*” and “*Our Promoter Group*” on page number 128 and 132 respectively of this Prospectus.

ISSUE SIZE

The Issue size comprises of issuance of up to 2,74,000 Equity Shares of the face value of ₹10/- each fully paid-up of the Company for cash at a price of ₹70/- per Equity Share (including premium of ₹ 60/- per Equity Share) aggregating ₹ 191.80 Lakhs.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects:

| S. N. | Particulars | Amount (In ₹ Lakh) |
|-------|-----------------------------|--------------------|
| 1 | Working Capital Requirement | 150.00 |

| | | |
|--------------|-----------------------------|---------------|
| 2 | General Corporate Purposes* | 21.80 |
| 3 | Issue Expenses | 20.00 |
| Total | | 191.80 |

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

The Company's business requires high working capital due to long credit period of about 180 days. Going forward, with in house manufacturing the Company expects to reduce working capital cycle. However, working capital shall remain a key factor for growth of our business.

AGGREGATE PRE-ISSUE SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP AND PUBLIC AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER

| # | Name of shareholder | Pre issue | | Post issue | |
|--------------------------|-------------------------|----------------------|--------------------------|----------------------|--------------------------|
| | | No. of equity shares | As a % of Issued Capital | No. of equity shares | As a % of Issued Capital |
| Promoters | | | | | |
| 1 | Harinderpal Singh Sodhi | 218084 | 28.50% | 218084 | 20.99% |
| 2 | Harish Kumar | 218084 | 28.50% | 218084 | 20.99% |
| Total - A | | 4,36,168 | 57.00% | 4,36,168 | 41.97% |
| Promoter Group | | | | | |
| - | Nil | - | - | - | - |
| Total - B | | - | - | - | - |
| Grand Total (A+B) | | 4,36,168 | 57.00% | 4,36,168 | 41.97% |

SUMMARY OF FINANCIAL INFORMATION

(Amount in Lakhs)

| Particulars | For Half year ended | For the year ended March 31 | | |
|---|---------------------|-----------------------------|---------|-------|
| | 30-Sep-2024 | 2024 | 2023 | 2022 |
| Share Capital | 76.52 | 76.52 | 76.52 | 1.08 |
| Net Worth | 405.30 | 314.68 | 176.49 | 1.65 |
| Revenue (Total Income) | 1500.93 | 2205.98 | 1470.21 | 28.87 |
| Profit after Tax | 90.61 | 138.19 | 69.44 | 1.01 |
| Earnings per share Basic and Diluted* | 11.84 | 18.06 | 9.07 | 0.94 |
| Net Asset Value per Equity Share (in ₹)* | 52.97 | 41.13 | 23.07 | 15.28 |
| Total borrowings | | | | |
| - Long Term | | - | - | - |

| | | | | |
|--------------|-------|-------|---|----|
| - Short Term | 72.02 | 71.50 | - | 30 |
|--------------|-------|-------|---|----|

*Face Value per share in FY 2020-21 and FY 2021-22 is Rs 1 each and in FY 2022-23 is Rs 10 each has been adjusted for fair comparison.

QUALIFICATIONS OF AUDITORS

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

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

| Name of Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges | Material Civil Litigations | Aggregate amount Involved (Rs in Lakhs) |
|--------------------------|----------------------|-----------------|-------------------------------------|---|----------------------------|---|
| Company | | | | | | |
| By the Company | nil | nil | nil | nil | nil | nil |
| Against the Company | nil | nil | nil | nil | nil | nil |
| Directors | | | | | | |
| By the Directors | nil | nil | nil | nil | nil | nil |
| Against the Directors | nil | nil | nil | nil | nil | nil |
| Promoters | | | | | | |
| By the Promoters | nil | nil | nil | nil | nil | nil |
| Against the Promoters | nil | nil | nil | nil | nil | nil |
| Subsidiaries | | | | | | |
| By the Subsidiaries | nil | nil | nil | nil | nil | nil |
| Against the Subsidiaries | nil | nil | nil | nil | nil | nil |

For further details, please refer “*Outstanding Litigations & Material Developments*” beginning on page 207 of this Prospectus.

RISK FACTORS

For details relating to risk factors, please refer “*Risk Factors*” beginning on page 16 of this Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

There are no contingent liabilities as on date of this Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

For details of Related Party Transaction please refer “*Related Party Transaction*” on page 135 of this Prospectus.

FINANCING ARRANGEMENTS

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

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN LAST ONE YEAR

The weighted average price per Equity Share to our Promoters as on date of this Prospectus is:

| Name of the Promoter | No. of Equity Shares held | Weighted Average cost of Acquisition (in ₹) |
|-------------------------|---------------------------|---|
| Harinderpal Singh Sodhi | 218084 | 20.76 |
| Harish Kumar | 218084 | 20.76 |

AVERAGE COST OF ACQUISITION

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

| Name of the Promoter | No. of Equity Shares held | Average cost of Acquisition (in ₹) |
|-------------------------|---------------------------|------------------------------------|
| Harinderpal Singh Sodhi | 218084 | 20.76 |
| Harish Kumar | 218084 | 20.76 |

Note: The average cost of acquisition is determined by taking into account the net value derived from the acquisition and disposal of Equity Shares, after accounting for any consideration received.

DETAILS OF PRE-ISSUE PLACEMENT

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

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

For details, refer "*Capital Structure*" on page number 47 of this Prospectus.

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

There has been no Split or Consolidation of Equity Shares in the last one year.

EXEMPTIONS SOUGHT FROM SEBI

As on date of the Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

This space has been left blank intentionally.

SECTION III-RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

To obtain a more detailed understanding of our business and operations, see this section in conjunction with the sections titled “Our Industry”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 71, 88 and 195, respectively, as well as other financial and statistical information contained in this Prospectus. Unless otherwise indicated or unless the context requires otherwise, our financial information used in this section are derived from our Restated Ind AS Summary Statements. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Issue, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see “Forward-Looking Statements” beginning on page 10.

Unless otherwise indicated or the context otherwise requires, in this section, references to “we”, “us” and “our” are to Avax Apparels and Ornaments Limited together with its subsidiaries on a consolidated basis.

Materiality

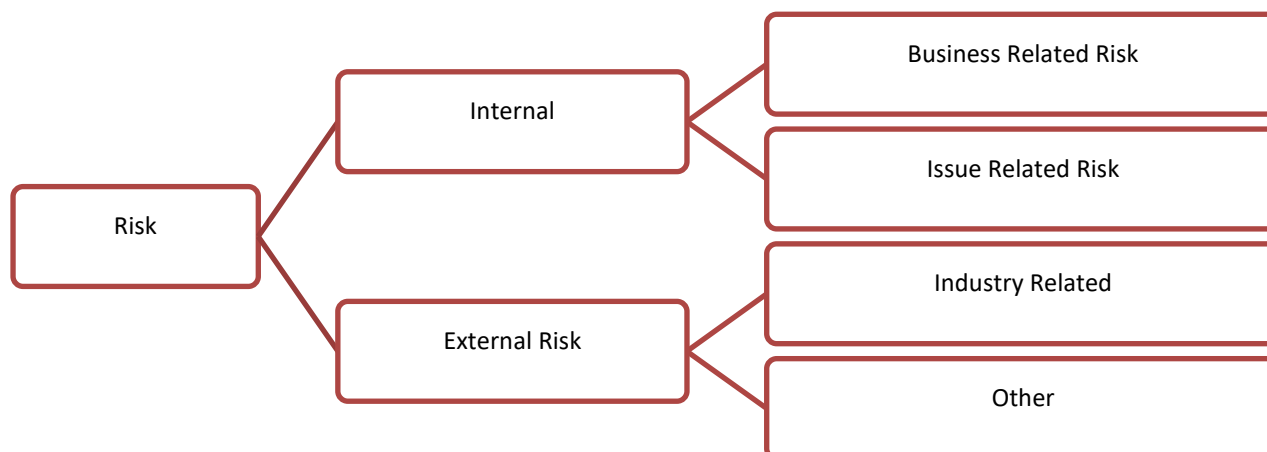
The Risk factors have been determined on the basis of their materiality, which has been decided on the basis of following factors:

Some events may not be material individually but may be material when considered collectively.

Some events may have an impact which is qualitative though not quantitative.

Some events may not be material at present but may have a material impact in the future.

Classification of Risk Factors



RISK FACTORS

INTERNAL RISK FACTORS

1. Our Promoters are not the original promoters of the Company.

Our company was taken over by the current Promoters and management from the previous owners, and there may be unanticipated legacy issues in the future concerning the past of the company. While the current management has taken a comprehensive review of the company's history, there can be no absolute assurance that such issues may not arise, which may have a significantly adverse effect on our business operations and financial health. For more information, please see "*Capital Structure*" on page 47 of this Prospectus.

2. We do not have long term contracts with most of our suppliers and customers.

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

3. Our Promoters have limited experience in the current line of business.

Our Promoters have limited experience in the current line of business of the Company, namely wholesale trading of knitted cloth and online retail of silver ornaments. While they possess considerable experience and expertise in general, they have limited experience in the textile and e-commerce sectors. The lack of experience in the industry may have an adverse impact on our business operations and financial health.

Our Promoters may not be able to provide the necessary strategic guidance and leadership to sustain and grow our business, resulting in lower sales volumes and revenue. Their lack of experience in the industry may also impact their ability to accurately assess and respond to market trends and demands. As a result, there may be a material adverse effect on our business, financial condition, and results of operations. For further details, please see "*Our Promoters*" and "*Our Management*" on page 128 and 112 of this Prospectus.

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

The restated financial statements of our Company for purpose of this Prospectus have been provided by an independent peer reviewed chartered accountant who is not the statutory auditor of our Company, as our statutory auditors are not peer reviewed. However, the Company shall take steps to appoint a statutory auditor who is peer reviewed in compliance with SEBI Regulations after listing of its Equity Shares.

5. We depend on a limited number of customers for a significant portion of our revenue. The loss of any of our major customer due to any adverse development or significant reduction in business from our major customer may adversely affect our business, financial condition, results of operations and future prospects.

We have in the past derived a significant portion of our revenue from limited number of customer and we may continue to derive a significant portion of our revenue from such customers. As our business is currently concentrated to a select number of customers, any adverse development with such customers, including as a result of a dispute with or disqualification by such major customers, may result in us experiencing significant reduction in our cash flows and liquidity.

| Particulars | Half year ended 30 Sep 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|------------------|--------------------------------|-------|---------------|-------|---------------|-------|---------------|-------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| | (Rs Lakhs) | | (Rs Lakhs) | | (Rs Lakhs) | | (Rs Lakhs) | |
| Top 5 Customers | 1197.19 | 79.76 | 1279.28 | 57.99 | 664.98 | 45.23 | 25.79 | 85.69 |
| Top 10 Customers | 1478.61 | 98.51 | 1922.88 | 87.17 | 984.35 | 66.95 | 25.79 | 85.69 |

Further, any significant reduction in demand for our products from our key customers, any requirement to lower the price offered by these customers, or any loss or financial difficulties caused to these customers, change in relationship with the customers could have a material adverse effect on our business, result of operations, financial condition and cash flow. There can be no assurance that we will be able to broaden our customer base in any future periods, or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers. For details, see “*Our Business*” on page 88 of this Prospectus.

6. We have experienced negative cash flows from operating and investing activities in the past.

We have in the past, and may in the future, experience negative cash flows from operating, investing and financing activities. The following table sets forth our net cash inflow/(outflow) from operating, investing and financing activities for the periods/years indicated:

| Particulars | Half year ended | For the year ended March 31, | | |
|---------------------------------------|-----------------|------------------------------|---------|---------|
| | 30-Sep-2024 | 2024 | 2023 | 2022 |
| Net Cash from Operating Activities | (20.19) | 10.95 | (35.67) | (13.98) |
| Net Cash from Investing Activities | (4.80) | (86.52) | (17.91) | (2.58) |
| Net Cash used in Financing Activities | 0.11 | 67.55 | 73.45 | 30.00 |

The negative operating cash flows is mainly on account of steep increase in Trade receivables which is balanced to an extent by increase in trade payables but still remains negative. The negative investing cash flows in on account of purchase of property, plant & equipment.

Any negative cash outflows from operating activities over extended periods, or significant cash outflows in the short term from investing and financing activities, could have an adverse impact on our cash flow requirements, business operations and growth plans. As a result, our cash flows, business, future financial performance and results of operations could be adversely affected. For further details, see “Management's Discussion and Analysis of Financial Condition and Results of Operations” on page 195.

7. Our Company is dependent on few suppliers for purchase of product. Loss of any of these large suppliers may affect our business operations.

We cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of operations. However, the composition and amount of purchase from these suppliers might change as we continue seek new suppliers for our product for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time. For details, see “*Our Business*” on page 88 of this Prospectus.

| Particulars | Half year ended 30 Sep 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|------------------|--------------------------------|-------|-------------------------|-------|-------------|-------|-------------------------|------|
| | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % | In % | In % | Amount (Rs Lakhs) | In % |
| Top 5 Suppliers | 1251.44 | 85.44 | 1568.15 | 81.53 | 804.20 | 58.85 | 28.38 | 100 |
| Top 10 Suppliers | 1415.54 | 96.64 | 1840.57 | 95.69 | 1145.22 | 83.81 | 28.38 | 100 |

8. Our Company has entered into certain related party transactions and may continue to do so in the future.

Our Company has entered into few related party transactions with our Promoters and Directors in the past. The related party transaction is in form of remuneration to KMPs of Rs 19.80 lakhs which is 1.43% of total Revenues.

While our Company believes that all such transactions have been conducted on the arm’s length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

9. Reliance has been placed on declarations and affidavits furnished by our Directors and Key Management Personnel, for details of their details included in this Prospectus.

Our Directors and Key Management Personnel have been unable to trace copies of certain documents pertaining to their work experience. Accordingly, reliance has been placed on affidavits furnished by them to disclose such details in this Prospectus and neither we, nor the Lead Manager have been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that they will be able to trace the relevant documents in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to the work experience of our Directors and Key Management Personnel in “*Our Management*” on page 112 respectively of this Prospectus is complete, true and accurate.

10. The Company has delayed payment of Statutory dues.

Although funds that are being kept in reserve to meet unforeseen expenses and to maintain a healthy cash balance. Our Company has delayed payment of statutory dues, specifically advance tax, which is attributable to a cash flow mismatch as substantial amounts are blocked in working capital.

Any further delay in payment of statutory dues may lead to penalties, which could adversely affect the Company's financial position and operations.

11. Some of the statutory and key approvals taken by our Company are required to be transferred in the name of “Avax Apparels and Ornaments Limited” from “Avax Soft Technologies Private Limited / Avax

Soft Technologies Limited”, pursuant to conversion from private limited to public limited company. Any failure to obtain and renew them or failure to transfer them in name of “Avax Apparels and Ornaments Limited” in a timely manner may affect our business operations.

Our Company is in the process of updating some of its certificates/ licenses with respect to the details of our offices or updating of its name from “Avax Soft Technologies Private Limited / Avax Soft Technologies Limited” to “Avax Apparels and Ornaments Limited” after Name change. For more information on the licenses obtained by our Company and the licenses applied for by our Company, please see "**Government and Other Approvals**" beginning on page 212 of this Prospectus.

12. We do not own our registered office.

Our company has taken Our Registered Office located at 611 6th Floor Jaina, Tower II Distt. Centre Janakpuri, West Delhi, Delhi- 110058 on rental basis from Mr. Vinod Malhotra and Mrs. Dipti Malhotra for a period of 2 years from 05th September 2022 to 04th September 2024. For details on the property operated from by the Company and other details please see “**Our Business**” beginning on page 88 of the Prospectus.

We cannot assure you that we will be able to renew our lease in the future, on commercially acceptable terms or at all. We also cannot assure you that, if required to vacate our current premises, we would be able to obtain alternative arrangements for the premises, on commercially acceptable terms or at all. Relocation of our business operations may disrupt our operations and entail substantial costs, which could have an adverse effect on our business, prospects, results of operations and financial condition. Further, the lease deeds for our properties may not be adequately registered or stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty or registration.

13. The Company in future may have only one line of business which is the textile business and the trading in silver ornaments may be negligible or may not exist at all

The company operates in two primary lines of business: textiles and trading in silver ornaments. However, due to a strategic focus on textiles, the silver business now contributes just approximately 3.62% of the total Revenue. In future, the Company may only have one main line of business which is the textile business and hence there may be no Revenues coming from trading in silver ornaments.

14. Our technology infrastructure and the technology infrastructure of our third-party providers are susceptible to security breaches and cyberattacks.

Our business generates, stores and processes a large quantity of personal, transactional, demographic and behavioral information and data. We may experience disruptions, failures or breaches of our technology platforms, due to the large volume of data handled. We also face risks inherent in protecting the security of such data, such as protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior by our employees; addressing concerns related to privacy and sharing, safety, security and other factors; and complying with applicable laws, rules and regulations relating to the collection, use, disclosure, transfer or security of personal information, including any requests from regulatory and government authorities relating to such data. In addition, most of our data is stored, transmitted and backed up on servers not owned by us, and therefore, we cannot guarantee that there may not be unauthorized access to such data, and we may be exposed to liability in relation to such breaches. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any regulatory requirements or privacy and data protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others, which could have an adverse effect on our results of operations, cash flows and business.

We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyberattacks. Cyberattacks may target us, the participants on our websites, or the communication infrastructure on which we depend.

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

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

16. If we fail to identify and effectively respond to changing consumer preferences and spending patterns or changing fashion trends in a timely manner, the demand for our products could decrease, causing our business, results of operations, financial condition and cash flows to be adversely affected.

The silver ornaments market is characterized by frequent changes, particularly in consumer preferences, new products and product variations. The popularity and demand of silver ornaments may vary over time due to changing consumer preferences that are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. Our continued success depends on our ability to anticipate, gauge and react in a timely and cost-effective manner to changes in consumer preferences for our products, as well as to where and how consumers shop for those products.

We continually work to enhance the recognition of our products and refine our approach as to how, when and where we market and sell our products using data and technology. While we aim to introduce new brands and products from time to time, we recognize that consumer preferences cannot be predicted with certainty and can change rapidly, and that there is no certainty that these will be commercially viable or effective or accepted by our consumers. If we are unable to foresee or respond effectively to the changes in market conditions, new and changing trends or desired consumer preferences, accurately anticipate and forecast demand for products, then there may be a decline in the demand and sales for our products, thereby reducing our market share and preventing us from acquiring new customers and retaining existing customers, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

17. Our brand and reputation are critical to the success of our business and may be adversely affected due to various reasons, which could have an adverse effect on our business, financial condition, cash flows and results of operations.

Our brand and reputation are among our most important assets, as they attract consumers to our products over those of our competitors. The recognition and reputation of our flagship brand, 'Blushine', amongst our consumers has contributed to the growth and success of our business.

Our brand reputation may be adversely affected in many ways. For example, any failure by our vendors to comply with their obligations, including maintenance of requisite licenses and approvals, our quality control and assurance standards; retail of counterfeit products in the market; and unsatisfactory customer service could adversely impact our brand reputation and subject us to additional risks and scrutiny. In addition, any damage in reputation of our vendors or suppliers may in turn damage our reputation, as they may unilaterally brand and claim themselves to be distributors authorized by us in their advertising material. Further, any public perception that our consumer data is breached and illegally shared as a result of cybercrime could damage our reputation.

Other factors that could affect our brand image include adverse media coverage. Adverse publicity regarding, among others, our brand ambassadors, social media partners and unsuccessful product introductions may also erode our brand image. Further, social media influencers and celebrities who we may or may not be directly associated with can shape public perception about us and our brands/products, or they themselves may face adverse impacts to their personal reputation and public standing for any number of reasons, all of which could

hurt our brand and reputation. If we are unable to maintain our reputation, enhance our brand recognition or increase positive awareness of our mobile application, websites and products, it may be difficult to maintain and grow our consumer base, and our business, financial condition, cash flows and results of operations may be adversely affected.

In addition, owing to allegations of product defects or lack of consumer interest in certain products, we may be required from time to time to recall products entirely or from specific markets, which may have an adverse effect on our reputation, business, financial condition, cash flows and results of operations and may also lead to a loss of confidence of consumers in our products.

18. The launch of new brands or products that prove to be unsuccessful could affect our growth plans which could adversely affect our business, financial condition, cash flows and results of operations.

New brand and product introductions from time to time is a key element of our growth strategy. New brands and product categories require us to understand and make informed judgments as to consumer demands, trends and preferences. Various elements of new brand and product initiatives entail significant costs and risks, as well as the possibility of unexpected consequences, including:

- acceptance of our new brand/product initiatives by our consumers may not be as high as we anticipate;
- sale of new products or brands may not sustain initial levels of high sales volumes;
- our marketing strategies for new brands/products may be less effective than planned and may fail to effectively reach the targeted consumer base or result in the expected level of sales;
- we may incur costs exceeding our expectations;
- we may experience a decrease in sales of our existing products as a result of the introduction of related new products;
- we may need to introduce trade promotions and increase marketing expenditure to obtain traction with consumers and improve brand awareness; and
- any delays or other difficulties impacting our ability, or the ability of our third party manufacturers and suppliers, to manufacture, distribute and ship products in a timely manner in connection with launching the new product initiatives.

We expend considerable time and financial resources in the development and launch of new brands and products. Each of the above risks could delay or impede our ability to achieve our growth objectives, which could adversely affect our business, financial condition, cash flows and results of operations.

19. The Company changed its name from M/s Avax Soft Technologies Ltd. to M/s Avax Apparels and Ornaments Ltd. An addendum to this effect has not been executed with CDSL and NSDL. This may result in improper reflection of name in CDSL and NSDL depositories.

The Company changed its name from M/s Avax Soft Technologies Ltd. to M/s Avax Apparels and Ornaments Ltd. An addendum to this effect could not be executed with NSDL and CDSL depositories. The failure of depositories to update the name of the Company in their records could result in improper reflection of name. However, the Company has already taken steps and confirmed with CDSL and NSDL that changes in name has been effected in their records.

20. Our dependence on third-party manufacturers for all our products subjects us to risks, which, if realized, could adversely affect our business, results of operations, cash flows and financial condition.

As a trading business we source all our products to third-party manufacturers on a non-exclusive basis, and do not own any manufacturing facilities. During the period ended March 31, 2023, our top 5 suppliers constituted a 59.54% of the total value of our purchase of traded goods. Our reliance on third-party manufacturers subjects us to various risks, including:

- dependence on relationships with third party manufacturers, particularly for continuity of supply of products to us;
- changes in cost of acquisition of our products from such manufacturers which would directly affect our profit margins and selling prices of our products;
- potential liability for incidents, including injuries to such manufacturers' employees, at manufacturing sites that we do not control;
- despite quality control exercised by our executives, there is dependence on quality control systems and processes of such manufacturers;
- reliance on agreements with such manufacturers and the periodic expiry (typically five years) of such agreements. We may be unable to replace our existing suppliers at short notice, or at all, and may face delays in production and added costs as a result of the time required for new suppliers to undertake manufacturing in accordance with our standard processes and quality control standards;
- dependence on third party manufacturing facilities, which are subject to customary operational risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, unavailability of consumables and spare parts, labor disputes, natural or man-made disasters, accidents, planned or unplanned shutdowns, and compliance with relevant government regulations;
- protection of our trade secrets and intellectual property rights;
- failure to comply with various product-related regulations and laws in India and globally, including those related to the product registration, product ingredients, health and safety, imports, customs clearance, manufacturing standards, labelling declaration standards, environmental and waste management including plastic generation and management, public disclosure, product testing and storage;
- compliance with the evolving regulatory and policy environment in which we operate;
- adverse changes in the financial or business condition of our suppliers; and
- misappropriation of our intellectual property and delays in delivery and shipment;

Our dependence on third party manufacturers could adversely affect our business, results of operations, cash flows and financial condition, as a result of occurrence of factors mentioned above or violation of terms of engagement by such manufacturers.

Our suppliers do not manufacture products exclusively for us and accordingly, some of them may choose to manufacture products for other parties, including our competitors, at any time, which may lead to conflicts of interest that exacerbate the risks mentioned above. In addition, they may manufacture products identical to ours by making use of the formulations supplied by us, and we may not be able to prevent the same, in the absence of adequate intellectual property protections, which in turn may adversely affect our business, results of operations, financial condition and cash flows.

21. If we are unable to identify consumer demand accurately and maintain an optimal level of inventory, our business, results of operations, cash flows and financial condition may be adversely affected.

The success of our business depends upon our ability to anticipate and forecast consumer demand and trends. Any error in our forecast could result in either surplus stock, which we may be unable to sell in a timely manner, or at all, or under-stocking, which will affect our ability to meet consumer demand. We plan our inventory and commence our design process prior to launch and estimate our sales based on the forecasted demand. We have inventory manufactured and stored at our warehouse ahead of an upcoming season. An optimal level of inventory is important to our business as it allows us to respond to consumer demand effectively and to maintain a full range of products at our stores and for sale through our other retail channels. Ensuring availability of our products requires prompt turnaround time and a high level of coordination amongst manufacturers, warehouse management and physical stores and staff. While we aim to avoid under-stocking and over-stocking through our technology-enabled distribution model, our estimates and forecasts may not always be accurate. If we fail

to accurately forecast consumer demand, we may experience excess inventory levels or a shortage of products available for sale. Any unsold inventory may have to be sold at a discount or discarded, potentially leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations, cash flows and financial condition.

22. We may not be able to adequately protect our intellectual property, which may result in the inability to prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products.

We have applied for trademarks registration in India for our brand name Blushine. For details relating to intellectual property rights, see “*Our Business*” on page 88.

The protection of our intellectual property rights may require the expenditure of financial, managerial and operational resources. We rely on a combination of laws and regulations, confidentiality of information and contractual restrictions to protect our intellectual property. Despite our efforts to protect and enforce our proprietary rights, unauthorized parties may in the future use, our trademarks or similar trademarks, copy aspects of our website images, features, compilation and functionality or obtain and use information that we consider as proprietary, such as trade secrets.

We do not have comprehensive registered protection for all of our brands in all jurisdictions in which we operate or plan to operate. We may therefore not be able to prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products. This may lead to reduction in sales of some of our products.

Additionally, the process of obtaining intellectual property protection is expensive and time-consuming, and the amount of compensation for damages can be limited. Even if issued, patents or trademarks may not adequately protect our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent, trademark and other intellectual property rights are applied on a case-by-case basis and it is generally difficult to predict the results of any litigation relating to such matters. Any litigation, whether or not it is resolved in our favour, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business, financial condition, cash flows and results of operations.

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

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

24. Our warehousing operations are being conducted on premises that have been taken on lease. Any difficulty in seeking renewal or extension of such lease terms may cause disruption in our operations.

Our warehousing premises on which we operate is taken on lease from third parties. We may not be able to successfully extend or renew such lease upon expiration of the current term on commercially reasonable terms or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in relocation expenses, which could adversely affect our business, financial condition, cash flows and results of operations. In addition, we may not be able to locate desirable alternative sites for our operations as our business continues to grow or our leases near their expiry, and failure in relocating our affected operations could adversely affect our business and operations. Further, there are risks associated with disputes relating to the property that may also lead to business disruptions.

Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate or breach of the contractual terms of the lease, or any inability to renew the said lease on terms acceptable to us, may adversely affect our business, financial condition, cash flows and results of operation.

25. Our silver ornaments inventory is kept in custody of a custodian.

Due to the high costs associated with the safekeeping of our high-value inventory, specifically silver ornaments inventory, we have entered into a custodian agreement with our vendor. Our reliance on this custodian for the future storage of our silver ornaments inventory is material to our operations.

However, there can be no assurance that we will be able to successfully extend or renew such an agreement upon the expiration of the current term on commercially reasonable terms or at all. As a result, we may be forced to relocate our inventory, which could disrupt our operations and result in relocation expenses. Such expenses could adversely affect our business, financial condition, cash flows, and results of operations. In addition, identifying desirable alternative sites or custodians for our inventory may prove to be challenging as our business continues to grow. The failure to relocate our affected operations could, in turn, adversely affect our business and operations.

26. Our business depends upon the user behaviour, growth of online commerce industry in India and continued acceptance of digital platforms.

Factors applicable to our industry that might prevent potential consumers from purchasing products from direct-to-consumer platforms such as our website:

- concerns about delayed shipments or the inconvenience and cost of returning or exchanging items purchased online;
- concerns about the security of online transactions and the privacy of personal information; and
- usability, functionality and features of online platforms.

Although we derive our knitted cloth sales through offline channels, our silver ornaments revenue depends substantially on the receptiveness of Indian consumers to the internet as a way to conduct commerce, purchase goods and services, and carry out financial transactions. If the online commerce industry in India and in particular the online market for fashion products does not further develop and grow, our business, results of operations, financial condition, cash flows and prospects could be adversely affected. For our online revenue base to grow, consumers, sellers and suppliers must continue to adopt new and alternative ways of conducting commerce, purchase goods and services and exchanging information, such as through the internet and mobile devices, and we must hence effectively respond to changing consumer behavior on such digital platforms.

As the development of e-commerce is dynamic and subject to risk of rapid disruption driven by technology innovations, we must continuously innovate to overcome the fact that potential consumers are presented with an increasingly large number of options to choose from. Such potential growth is dependent on the overall internet penetration in India which despite recent growth, is still relatively low as compared to certain developed countries. We cannot assure you that a more technologically-sophisticated and reliable fixed telecommunications network or internet infrastructure will develop that would further facilitate growth of online e-commerce in India. Should the telecommunications operators not sustain or invest in expanding and upgrading the telecommunications infrastructure in India, it may impact the of e-commerce sector adversely. In addition, the growth of the e-commerce sector may be affected by changes in and the evolving nature of government regulation.

27. We may not be successful in implementing our business strategies.

The success of our business will depend greatly on our ability to effectively implement our growth strategies. For further details on our strategies, see “*Our Business*” on page 88. There can be no assurance that we will be

able to successfully execute our strategies, which may adversely affect our business, financial condition, cash flows and results of operations.

We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and strategies could have an adverse effect on our business, financial condition, cash flows and profitability.

28. We may require additional financing in the form of debt or equity to meet our business requirements.

Although our Company has no outstanding debt as on the date of this Prospectus, in order to meet our business requirements (including to undertake growth), we may require loans from banks and financial institutions or the sale or issue of equity or debt securities in private or public offerings. In the event that we incur debt in the future, our interest payment obligations will increase, and we may be subject to additional conditions from lenders, who could place restrictions on how we operate our business and result in reduced cash flows. If we decide to issue equity, the ownership interest of our existing shareholders will be diluted. We cannot provide any assurance that we will be able to raise adequate financing on acceptable terms, in a timely manner or at all. Our failure to obtain sufficient financing could result in a lack of cash flow to meet our operating requirements and, therefore, have an adverse effect on our business, results of operations, cash flows and financial condition.

29. The current geographic concentration of our operations creates an exposure to local economies, regional downturns and severe weather or other catastrophic occurrences.

We operate only in North part of India and spread only in the state of Punjab. As a result, our business is susceptible to regional conditions in North India, and we are vulnerable to economic downturns in the region. Any unforeseen events or circumstances that negatively affect these areas could materially adversely affect our sales and profitability.

This may expose our supply chain to regional risks, which may adversely affect our business, cash flows, financial condition and results of operations. Our warehouse and our vendors are exclusively based in a single geographical region in and around Punjab. Our warehouse act as a facility for storage and onward delivery of our merchandise across the state. The geographical concentration of our warehouse, and our suppliers renders our operations more susceptible to regional risks and any adverse changes and events occurring in or around the region. Adverse changes and events that may impact our operations may include disruptions to infrastructure and services (such as supplies, transportation and utilities for our facilities), significant natural disasters and man-made incidents, political agitations and workforce disruptions, as well as changes in the general economic conditions, the regulatory environment and local government policies. In particular, incidents of fire, damage to, or inability to access, our warehouse or the manufacturing facilities of our suppliers, or other issues preventing the normal operation of those facilities could hinder the distribution of our products. In such case, we may need to utilize alternative vendors to supply our products. However, we may not be able to do so in a timely manner, or at all.

While we have not experienced any such disruptions in the past, we cannot assure you that we will be able to effectively manage any potential losses arising from any such events, which may adversely affect our business, cash flows, financial condition and results of operations. Any inability to obtain sufficient quantities of knitted cloth or silver ornaments of the requisite quality in a timely manner and at acceptable prices, or a slowdown, shutdown or disruption in such third parties' operations and performance, could adversely affect our business, cash flows, results of operations and financial condition."

30. We may be unable to grow our business in additional geographic regions, international markets or online.

We operate only in North part of India and spread only in the state of Punjab. We intend to increase penetration into towns and cities in which we operate, but we cannot assure you that we will be able to do so. Infrastructural and logistical challenges in these regions may prevent us from expanding our presence or increasing the penetration of our products. Further, customers in new markets or regions may be price-conscious, rendering us

unable to compete effectively with our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected. The development and roll out of new locations involve substantial risks, any of which could be exacerbated or caused by the ongoing COVID-19 crisis, including in relation to the following:

- the inability to identify or the unavailability of suitable warehouses on acceptable leasing terms or to compete effectively for these suitable warehouses;
- difficulties in relation to the implementation of the systems, procedures and control measures required at new and different locations;
- the inability to obtain all necessary governmental or local authority permits and approvals and other requisite licenses and permits in time;
- underperformance of the newly developed markets;
- changing consumer preferences and success of our new markets;
- competition in current and future markets;
- our degree of penetration in existing markets;
- sales and margin levels at existing markets;
- our ability to hire and retain qualified employees;
- changes in governmental rules, regulations and interpretations; and
- changes in general economic and business conditions.

Further, possible expansion into new international markets, is important to our long-term growth. Competing successfully in international markets requires additional management attention and resources to tailor our products to the unique aspects of each new country. In particular, the expansion into new international markets is highly dependent on the Indian population of the respective regions and the popularity and acceptance of the Indian apparel in the respective regions. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, our inexperience with such markets and currency exchange rate fluctuations. These and other risks could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

31. Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operations and may have a negative impact on our business.

Our Company's income and sales are subject to seasonal fluctuations, and lower income during peak seasons may have a disproportionate effect on our results of operations, which may have a negative impact on our business.

Our sales volumes and profit margins for our silver ornaments business tend to increase during festival periods, while our knitted cloth business experiences higher sales volumes in the months preceding winter. However, any slowdown in demand for our products during peak seasons, or failure to accurately anticipate and prepare for such seasonal fluctuations, could have a material adverse effect on our business, financial condition, and results of operations. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 195.

32. We may be subject to fraud, theft, employee negligence or similar incidents.

Our operations may be subject to incidents of theft or damage to inventory in transit and otherwise. Our industry typically encounters some inventory loss on account of employee theft, shoplifting, robbery, vendor fraud, credit card fraud and general administrative error. We maintain large amounts of inventory at all times. There can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

Additionally, in case of losses due to theft, fire, breakage or damage that may be caused by other casualties, flood, earthquake or any other natural calamities, there can be no assurance that we will be able to recover from our insurers the full or adequate amount of any such loss that we may suffer in a timely manner. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have an adverse effect on our business, results of operations and financial condition.

33. Ineffective execution of marketing programs and reduced marketing expenditure could have an adverse effect on our sales.

Being a silver ornaments retailer, primary factors in determining consumers buying decision includes customer confidence, price points for our products, quality of our products, timely delivery of our products, designs together with the level and quality of customer service. The ability to differentiate our products from competitors by its branding, marketing and advertising programs is an important factor in attracting consumers. As a result, from time to time we will be undertaking brand building exercise and marketing programs to enhance our brand visibility. If these programs are ineffectively executed or the level of support for them is reduced, it could affect our ability to attract customers.

Further, we cannot assure you that we will be able to accurately estimate our marketing expenditure for our retail and e-commerce operations. In case our marketing expenses are lesser than market standards, our marketing programs may be ineffective. However, if our marketing expenses are higher than the market standards, it may adversely affect our income and results of operations.

34. Silver purchases are discretionary and are often perceived to be a luxury purchase. Any factor which may bring discretionary spending by consumers under pressure may adversely affect our business, results of operations and financial condition.

Silver ornaments purchases are typically high-value, luxury purchases and depend on consumers' discretionary spending power. Various factors affect discretionary consumer spending, including economic conditions, perceptions of such conditions by consumers, economic outlook, employment, the level of consumers' disposable income, the savings ratio, business conditions, inflation levels, interest rates, consumer debt and asset values, availability of credit and levels of taxation, among others. Most of our customers are individuals who purchase jewellery for personal use.

Additionally, silver jewellery is not perceived to be a necessity, which may result in a significant fall in demand in the case of adverse economic conditions, as opposed to demand for those goods that are perceived as a necessity. Any such fall in demand or a decline in the general economic conditions in India or our international markets or conditions, which may bring discretionary spending by consumers under pressure could adversely affect our business, financial condition and results of operations.

35. We could face customer complaints or negative publicity about our customer service.

Customer complaints or negative publicity about our customer service could diminish consumer confidence in, and the attractiveness of, our Company and brand and effect our sales and growth. We believe in providing quality product and services to our customers at all times.

Any inability by us to properly manage or train our sales staff, employees and managerial personnel who handle customer complaints and disputes could compromise our ability to handle customer complaints effectively in the future. If we do not handle customer complaints effectively, our reputation may suffer, and we may lose our customers' confidence, which could have a material adverse effect on our business, financial condition and results of operations.

36. We do not register our designs under the Designs Act, 2000 and we may fail to protect our jewellery designs that may be unique and relative to our brand.

We select the silver ornaments designs from amongst the designs made by the designing team, based on market trends and our requirements in each of our retail showrooms. Due to the competitive nature of the jewellery retail markets in which we operate, innovative designs remain the key differentiators, which therefore possess short life span. Consequently, jewellery designs change on a frequent basis and hence we do not register these designs under the Designs Act, 2000. Our designs therefore are not protected under the Designs Act, 2000 and if competitors copy our designs it could lead to loss of income, which could adversely affect our reputation and our results of operations.

We change our silver ornaments designs on a regular basis and such designs are not registered under the Design Act, 2000. As such, it would be difficult for us to enforce our intellectual property rights in our designs that may be unique and created in house by us, and if our competitors copy our designs, in particular the designs of our products available on our website or the designs given to third-party contractors, it could lead to an imitation of our product at a lower quality and lower price and leading to loss of revenue, which could adversely affect our results of operations and financial condition. Additionally, there is a possibility that designs developed by us may inadvertently infringe on the intellectual property rights of third parties unknowingly, which may expose us to legal proceedings.

37. There may be potential conflicts of interest if our Promoters or Directors are involved in any business activities that compete with or are in the same line of activity as our business operations.

We have not entered into any non-compete agreement with our Promoters. Our Promoter, Mr. Harinderpal Singh Sodhi holds 50% equity shareholding in M/s Avax Industries Private Limited which is into similar line of business. We cannot assure you that our Promoters who has common interest in said entities will not favour the interest of the said entities as a result; conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Group Entity in circumstances where our respective interests diverge. There can be no assurance that our Promoters or our Promoter Group Entity or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to “*Common Pursuits*” under “*Our Promoters*” on Page of 128 this Prospectus.

38. Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us.

Our Company will be severely dependent on its Promoters to effectively implement its growth strategies. Our Promoters have been actively involved in the day-to-day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoters are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. Financial impact of the aforesaid risk cannot be reasonably quantified.

39. Our success depends largely on our senior management and our ability to attract and retain our key personnel.

Our success depends on the continued services and performance of our senior management. Competition for senior employees in the industry is intense and we may not be able to retain our existing team members or attract and retain new team members in the future. The loss of any member of our key team may adversely affect our business, results of operations and financial condition. We do not maintain key man’s life insurance for our Promoters, senior members of our management team or other key personnel.

- 40. In addition to normal remuneration or benefits and reimbursement of expenses, our Promoters, our Directors and Key Managerial Personnel are interested in our Company to the extent of their shareholding, and dividend entitlements etc.**

Our Promoters, Directors and Key Management Personnel are deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlements, and benefits deriving from the directorship in Avax Apparels and Ornaments Limited. Our Promoters are interested in the transactions entered into the Company and its Promoter Group. For further information, please refer to the section titled “*Our Promoter*”, “*Our Promoter Group*”, “*Capital Structure*”, “*Our Management*” and “*Related Party Transaction*”, beginning on pages 128, 132, 47, 112 and 135 respectively of this Prospectus.

- 41. The average cost of acquisition of Equity Shares by our Promoters is lower than the issue price.**

Our Promoters’ average cost of acquisition of Equity Shares in our Company is substantially lower than the Issue Price of the shares proposed to be offered through this Prospectus. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer to “*Our Promoters*” on page 128 of this Prospectus.

- 42. The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.**

The fund requirement and deployment, as mentioned in “*Objects of the Issue*” on page 60 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under section “*Objects of the Issue*” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under section “*Objects of the Issue*” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

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

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above ₹10,000 Lakh. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the Audit Committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has

paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

Accordingly, realization of a gain on shareholders' investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details regarding our dividend policy, please see "*Dividend Policy*" on page 136 of this Prospectus.

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

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

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

The proposed use of issue proceeds, as detailed in "*Objects of the Issue*" on page 60 is to be partially and/or wholly funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

47. The requirements of being a public listed company may strain our resources and impose additional requirements.

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we were not required to incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations.

There can be no assurance that we will be able to satisfy our reporting obligations. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange, if any, could lead to imposition of penalties, including suspension of trading in shares of the Company.

48. Third party industry and statistical data in this Prospectus may be incomplete, incorrect or unreliable.

We have not independently verified data from industry and other publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

ISSUE RELATED RISK FACTORS

49. We cannot assure you that our equity shares will be listed on the SME platform of BSE Limited in a timely manner or at all, which may restrict your ability to dispose of the equity shares.

Though we shall make best of our efforts to comply with all applicable regulatory, financial and operational requirements for getting the equity shares proposed to be offered through this Prospectus listed on BSE's SME

platform in a time bound manner, yet on account of any change in applicable laws, economic conditions and/or any other reason/s beyond our control, the said shares may not get listed on the SME platform of BSE Limited in a timely manner or at all, which may restrict your ability to dispose of the equity shares. However, even in such circumstances, the company shall stay fully committed to pay such interest and/or refund the full application amount, as may be required in accordance with the applicable regulatory directives.

50. 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 Promoters 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.

51. Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.

Being into manufacturing business there exist substantial requirement of working capital and financing in the form of fund and non-fund based working capital facilities to meet our requirements. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability. The significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

52. We may not be successful in implementing our business strategies.

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

53. We are exposed to the risk of delays or non-payment by our clients and other counterparties, which may also result in cash flow mismatches.

We are exposed to counter party credit risk in the usual course of our business dealings with our clients or other counterparties who may delay or fail to make payments or perform their other contractual obligations. The financial condition of our clients, business partners, suppliers and other counterparties may be affected by the performance of their business which may be impacted by several factors including general economic conditions.

We cannot assure you of the continued viability of our counterparties or that we will accurately assess their creditworthiness. We also cannot assure you that we will be able to collect the whole or any part of any overdue payments. Any material non-payment or non-performance by our clients, business partners, suppliers or other counterparties could affect our financial condition, results of operations and cash flows. For further details of our business and clients, please see "*Our Business*" and "*Management Discussion & Analysis of Financial Conditions and Result of Operation*" beginning on page 88 and 195 of this Prospectus.

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

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

55. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

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

56. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Following the Issue, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

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

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

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

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

The Issue Price of our Equity Shares has been determined by fixed price method. This price is being based on numerous factors (For further information, please see "*Basis for Issue Price*" beginning on page 66 of this Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue

Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

EXTERNAL RISK FACTORS

59. Changes in the Government Policy could adversely affect economic conditions in India generally and our business in particular.

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

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

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include Service tax, STT, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other taxes by the Central and the State Governments may adversely affect our results of operations.

61. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months is not subject to capital gains tax in India if securities transaction tax ("STT") is paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax. Any change in tax provisions may significantly impact your return on investments.

63. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.

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

64. Terrorist attacks, civil unrest and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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SECTION IV -INTRODUCTION

THE ISSUE

The Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on December 23, 2022 and by our Shareholders pursuant to a resolution passed at the EGM held on December 30, 2022. This Issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to section titled '*Issue Structure*' beginning on page 231 of this Prospectus.

| Particulars | Details of Number of Shares |
|--|--|
| Issue of Equity Shares by our Company | Upto 2,74,000 Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ 70/- per Equity Share aggregating to ₹ 191.80 Lakh. |
| Of which: | |
| Reserved for Market Makers | Upto 14,000 Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ 70 /- per Equity Share aggregating to ₹ 9.80 Lakh. |
| Net Issue to the Public | Upto 2,60,000 Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ 70 /- per Equity Share aggregating to ₹ 182 Lakh. |
| Of which: | |
| Retail Investors Portion | Upto 1,30,000 Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ 70 /- per Equity Share aggregating to ₹ 91 Lakh, i.e. 50% of the Net Issue shall be available for allocation for Retail Individual Investors. |
| Non-Retail Investors Portion | Upto 1,30,000 Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ 70/- per Equity Share aggregating to ₹ 91 Lakh, i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors. |
| Pre-and Post-Issue Equity Shares: | |
| Equity Shares outstanding prior to the Issue | 7,65,158 Equity Shares of ₹10/- each |
| Equity Shares outstanding after the Issue | 10,39,158 Equity Shares of ₹10/- each |
| Use of Issue Proceeds | For further details please refer to " Objects of the Issue " beginning on page 60 of this Prospectus for information on use of Issue Proceed. |

As per the Regulation 253(2) of the SEBI (ICDR) Regulations, 2018, as amended, as present issue is a fixed price issue the allocation is the net offer to the public category shall be made as follows:

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

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

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

Subject to valid applications being received, under-subscription, if any, in the Retail and Non-Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the LM and the BSE.

SUMMARY OF OUR FINANCIAL INFORMATION

Restated Statement of Assets and Liabilities

(All amounts are in lakhs unless stated otherwise)

| Particulars | Annexure | As at | | | |
|--|----------|-----------------|---------------|---------------|--------------|
| | | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant & equipment | 3 | 85.01 | 94.63 | 17.28 | 2.58 |
| Intangible asset | 4 | 0.24 | 0.29 | 0.47 | - |
| Financial assets | | | | | |
| (i) Other financial assets | 5 | 0.22 | 0.22 | 1.01 | - |
| Deferred tax Asset | 6 | 2.56 | 0.53 | 0.25 | - |
| Other non current asset | 7 | - | - | 10.98 | 9.75 |
| | | 88.03 | 95.66 | 29.99 | 12.33 |
| Current assets | | | | | |
| Inventories | 8 | 217.49 | 44.54 | 61.71 | - |
| Financial assets | | | | | |
| (i) Trade receivables | 9 | 744.62 | 306.26 | 210.94 | 25.79 |
| (ii) Cash and cash equivalents | 10 | 1.08 | 25.98 | 34.00 | 14.13 |
| Other current assets | 11 | 37.87 | 12.16 | 10.25 | 5.40 |
| | | 1,001.06 | 388.94 | 316.90 | 45.33 |
| Total Assets | | 1,089.09 | 484.60 | 346.89 | 57.66 |
| Equity and Liabilities | | | | | |
| Equity | | | | | |
| Equity share capital | 12 | 76.52 | 76.52 | 76.52 | 1.08 |
| Other equity | 13 | 328.77 | 238.16 | 99.97 | 0.58 |
| | | 405.30 | 314.68 | 176.49 | 1.66 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Financial liabilities | | | | | |
| (i) Borrowings | 14 | 72.02 | 71.50 | - | 30.00 |
| (ii) Trade payables | 15 | | | | |
| - total outstanding dues to micro and small enterprises | | - | - | - | - |
| - total outstanding dues of creditors other than micro and small enterprises | | 512.83 | 39.10 | 144.75 | 25.48 |
| (iii) Other financial liabilities | 16 | 3.27 | - | - | 0.20 |
| Deferred tax liability | 17 | - | - | - | 0.03 |
| Other current liabilities | 18 | 1.93 | 2.56 | 0.28 | - |
| Current tax liabilities | 19 | 93.74 | 56.77 | 25.37 | 0.30 |
| | | 683.80 | 169.93 | 170.40 | 56.01 |
| Total Equity and Liabilities | | 1,089.09 | 484.60 | 346.89 | 57.67 |

Summary of significant accounting policies 2

The accompanying notes form an integral part of these financial statements.

As per our report of even date.

For **NKSC & Co.**

Chartered Accountants

Firm Registration No. 020076N

Priyank Goyal

Partner

Membership No.: 521986

ICAI UDIN No. 24521986BKFKA7263

For and on behalf of the Board of Directors of

Avax Apparels and Ornaments Limited

Harish Kumar

Director

DIN-09283531

Harinderpal Singh Sodhi

Director

DIN-09283654

Rajesh Singla

CFO

PAN No. CNOPS 7915R

Shruti Jain

Company Secretary

M.No. 52018

Place: Delhi

Date: 28-Oct-2024

Place: Delhi

Date: 28-Oct-2024

Restated Statement of Profit and Loss

(All amounts are in lakhs unless stated otherwise)

| Particulars | Annexure | For the period/year ended | | | |
|---|----------|---------------------------|-----------------|-----------------|--------------|
| | | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Income | | | | | |
| Revenue from operations | 20 | 1,500.93 | 2,205.98 | 1,470.20 | 28.87 |
| Other income | 21 | - | 0.00 | 0.01 | - |
| Total Income | | 1,500.93 | 2,205.98 | 1,470.21 | 28.87 |
| Expenses | | | | | |
| Cost of material consumed | 22 | 125.95 | - | - | - |
| Purchases of stock-in-trade | 23 | 1,338.75 | 1,923.50 | 1,366.51 | 27.17 |
| Changes in inventories | 24 | (172.95) | 17.17 | (61.71) | - |
| Employee benefit expense | 25 | 35.56 | 37.06 | 33.89 | - |
| Finance cost | 26 | 4.82 | 6.64 | 1.94 | - |
| Depreciation and amortisation expense | 27 | 14.48 | 9.35 | 2.75 | 0.00 |
| Other expenses | 28 | 28.42 | 18.18 | 32.29 | 0.35 |
| Total Expenses | | 1,375.03 | 2,011.90 | 1,375.68 | 27.52 |
| Restated Profit before exceptional items and tax | | 125.90 | 194.08 | 94.53 | 1.35 |
| Restated Profit before tax | | 125.90 | 194.08 | 94.53 | 1.35 |
| Tax expense | | | | | |
| Current tax | 37 | 37.31 | 56.18 | 25.38 | 0.30 |
| Deferred tax (benefit)/charge | 37 | (2.03) | (0.28) | (0.28) | 0.03 |
| Earlier year tax adjustment | | - | - | - | - |
| Total tax expense | | 35.29 | 55.90 | 25.09 | 0.33 |
| Restated Profit after tax | | 90.61 | 138.19 | 69.44 | 1.01 |
| Other comprehensive Income | | | | | |
| Items that will not be reclassified to profit | | | | | |
| - Remeasurement of defined benefit plans | | - | - | - | - |
| - Income tax relating to these items | | - | - | - | - |
| | | - | - | - | - |
| Total Comprehensive Income, net of Tax | | 90.61 | 138.19 | 69.44 | 1.01 |
| Earnings per equity share | | | | | |
| -Basic and diluted earnings per share* | 29 | 11.84 | 18.06 | 9.07 | 0.94 |

*Face Value per share in FY 2021-22 is Rs 1 each and in FY 2022-23, FY 2023-24 and period ended September 30, 2024 is Rs 10 each.

This is the restated statement of profit and loss referred to in our
The accompanying notes form an integral part of these financial statements.

As per our report of even date.

For NKSC & Co.

Chartered Accountants
Firm Registration No. 020076N

Priyank Goyal

Partner
Membership No.: 521986
ICAI UDIN No. 24521986B KFKZA7263

Place: Delhi
Date: 28-Oct-2024

For and on behalf of the Board of Directors of
Avax Apparels and Ornaments Limited

Harish Kumar

Director
DIN-09283531

Rajesh Singla

CFO
PAN No. CNOPS 7915R

Place: Delhi
Date: 28-Oct-2024

Harinderpal Singh Sodhi

Director
DIN-09283654

Shruti Jain

Company Secretary
M.No. 52018

Restated Statement of Cash Flow Statement
(All amounts are in lakhs unless stated otherwise)

| Particulars | For the period/year ended | | | |
|---|---------------------------|----------------|----------------|----------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Cash flow from operating activities | | | | |
| Profit/(Loss) before tax | 125.90 | 194.09 | 94.53 | 1.35 |
| Adjustments to reconcile profit before tax to cash generated | | | | |
| Depreciation and amortisation expense | 14.48 | 9.35 | 2.75 | 0.00 |
| Interest income | - | (0.00) | (0.01) | - |
| Finance costs | 0.41 | 3.95 | 1.94 | - |
| Operating profit before working capital changes | 140.78 | 207.39 | 99.21 | 1.35 |
| Adjustments for (increase)/decrease in operating assets | | | | |
| Inventories | (172.95) | 17.17 | (61.71) | - |
| Trade receivables | (438.36) | (95.33) | (185.15) | (25.79) |
| Other financial assets | (0.01) | 0.79 | (1.01) | - |
| Other current assets | (25.71) | (1.90) | (4.85) | (5.40) |
| Other non current asset | (0.00) | 10.98 | (1.21) | (9.75) |
| Adjustments for increase/(decrease) in operating liabilities | | | | |
| Trade payables | 473.74 | (105.66) | 119.27 | 25.48 |
| Other financial liabilities | 3.27 | - | - | 0.14 |
| Other non-financial liabilities | 36.35 | 33.68 | 25.14 | - |
| Cash (used in)/generated from operations | 17.10 | 67.13 | (10.31) | (13.98) |
| Less: Income tax paid (net of refunds) | (37.29) | (56.18) | (25.37) | - |
| Net cash flow (used in)/generated from operating activities | (20.19) | 10.95 | (35.68) | (13.98) |
| Cash flows from investing activities | | | | |
| Proceeds from/(payments for) PPE and intangible assets | (4.80) | (86.52) | (17.92) | (2.58) |
| Interest income | - | 0.00 | 0.01 | - |
| Net cash flow from investing activities (B) | (4.80) | (86.52) | (17.91) | (2.58) |
| Cash flows from financing activities | | | | |
| Payment to/Proceeds from borrowings | 0.52 | 71.50 | (30.00) | 30.00 |
| Issue of equity shares | - | - | 75.43 | - |
| Finance costs | (0.41) | (3.95) | (1.94) | - |
| Security premium of equity shares | - | - | 90.17 | - |
| Bonus shares issued | - | - | (60.21) | - |
| Net cash inflow from/(used in) financing activities (C) | 0.11 | 67.55 | 73.45 | 30.00 |
| Net increase (decrease) in cash and cash equivalents (A+B+C) | (24.88) | (8.02) | 19.86 | 13.44 |
| Cash and cash equivalents at the beginning of the year | 25.98 | 34.00 | 14.13 | 0.69 |
| Cash and cash equivalents at the end of the year | 1.10 | 25.98 | 34.00 | 14.13 |

Notes to Statement of cash flows:

| (i). Components of cash and bank balances (refer annexure 10) | For the period/year ended | | | |
|---|---------------------------|--------------|--------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Cash and cash equivalents | 1.08 | 25.98 | 34.00 | 14.13 |
| Cash and bank balances at end of the year | 1.08 | 25.98 | 34.00 | 14.13 |

(ii). The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 on "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013.

As per our report of even date.

For NKSC & Co.
Chartered Accountants
Firm Registration No. 020076N

For and on behalf of the Board of Directors of
Avax Apparels and Ornaments Limited

Priyank Goyal
Partner
Membership No.: 521986
ICAI UDIN No. 24521986BKFKZA7263

Harish Kumar
Director
DIN-09283531

Harinderpal Singh Sodhi
Director
DIN-09283654

Rajesh Singla
CFO
PAN No. CNOPS 7915R

Shruti Jain
Company Secretary
M.No. 52018

Place: Delhi
Date: 28-Oct-2024

Place: Delhi
Date: 28-Oct-2024

SECTION V-GENERAL INFORMATION

Our Company was originally incorporated on June 2, 2005 as a private limited company under the name and style of “Ethnic Designers Private Limited” under the provisions of Companies Act, 1956 with the Registrar of Companies, NCT of Delhi & Haryana. Further, the Object of the Company was changed vide a fresh Certificate of Incorporation dated October 4, 2021 issued by Registrar of Companies, NCT of Delhi & Haryana. Subsequently, the name of the Company was changed to Avax Soft Technologies Private Limited vide a fresh Certificate of Incorporation dated October 11, 2021 issued by Registrar of Companies, NCT of Delhi & Haryana. Further, our Company was converted into a public limited company and the name of the Company was changed to Avax Soft Technologies Limited vide a fresh Certificate of Incorporation dated November 18, 2022 issued by Registrar of Companies, NCT of Delhi & Haryana vide CIN U5110DL2005PLC137127. Further pursuant to shareholders’ resolution passed at Extra Ordinary General Meeting held on May 08, 2023, Object of the Company was changed vide a fresh Certificate of Incorporation dated May 15, 2023 and the name of the Company was changed to Avax Apparels and Ornaments Limited vide a fresh Certificate of Incorporation dated June 15, 2023 issued by Registrar of Companies, NCT of Delhi & Haryana vide CIN U14101DL2005PLC137127.





For further details, please refer to "***Our History and Certain Other Corporate Matters***" beginning on page 107 of the Prospectus.

| REGISTERED OFFICE | Avax Apparels and Ornaments Limited 611 6th Floor Jaina Tower II Distt. Centre Janakpuri, West Delhi, Delhi- 110058 Tel No: +011-44750642/ +91-9599497767 Email: secretarial@avaxapparels.com Contact Person: Shruti Jain, Company Secretary & Compliance Officer Website: https://www.avaxapparels.com CIN: U14101DL2005PLC137127 For details relating to changes to the address of our Registered Office and our place of business, please see “ <i>Our History and Certain Other Corporate Matters</i> ” and “ <i>Our Business</i> ” on page 107 and 88 of this Prospectus. | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|--|------|-----|-------------|----------------------------|----------|-------------------|-------------|----------|---------------------------------|-----------------|----------|---------------------------------|--------------------|----------|----------------------|-----------------------|----------|----------------------|--------------------------|----------|----------------------|
| REGISTRAR OF COMPANY | Registrar of Company, National Capital Territory of Delhi & Haryana 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019 Tel No. +011-26235703 Email: roc.delhi@mca.gov.in Website: www.mca.gov.in | | | | | | | | | | | | | | | | | | | | | | | |
| DESIGNATED STOCK EXCHANGE | BSE Limited P.J. Tower, Dalal Street, Fort, Mumbai- 400001 Website: www.bseindia.com | | | | | | | | | | | | | | | | | | | | | | | |
| BOARD DIRECTORS | OF | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Name</th> <th style="width: 20%;">DIN</th> <th style="width: 40%;">Designation</th> </tr> </thead> <tbody> <tr> <td>Mr Harinderpal Singh Sodhi</td> <td>09283654</td> <td>Managing Director</td> </tr> <tr> <td>Mrs Deepika</td> <td>08730368</td> <td>Executive (Whole Time) Director</td> </tr> <tr> <td>Mr Harish Kumar</td> <td>09283531</td> <td>Executive (Whole Time) Director</td> </tr> <tr> <td>Mr Amitabh Agrawal</td> <td>00124966</td> <td>Independent Director</td> </tr> <tr> <td>Mr Pradeep Srivastava</td> <td>08706824</td> <td>Independent Director</td> </tr> <tr> <td>Mr Gurvinder Singh Vohra</td> <td>09783549</td> <td>Independent Director</td> </tr> </tbody> </table> For further details of our Directors, please refer to “ <i>Our Management</i> ” beginning on page 112 of this Prospectus. | | Name | DIN | Designation | Mr Harinderpal Singh Sodhi | 09283654 | Managing Director | Mrs Deepika | 08730368 | Executive (Whole Time) Director | Mr Harish Kumar | 09283531 | Executive (Whole Time) Director | Mr Amitabh Agrawal | 00124966 | Independent Director | Mr Pradeep Srivastava | 08706824 | Independent Director | Mr Gurvinder Singh Vohra | 09783549 | Independent Director |
| Name | DIN | Designation | | | | | | | | | | | | | | | | | | | | | | |
| Mr Harinderpal Singh Sodhi | 09283654 | Managing Director | | | | | | | | | | | | | | | | | | | | | | |
| Mrs Deepika | 08730368 | Executive (Whole Time) Director | | | | | | | | | | | | | | | | | | | | | | |
| Mr Harish Kumar | 09283531 | Executive (Whole Time) Director | | | | | | | | | | | | | | | | | | | | | | |
| Mr Amitabh Agrawal | 00124966 | Independent Director | | | | | | | | | | | | | | | | | | | | | | |
| Mr Pradeep Srivastava | 08706824 | Independent Director | | | | | | | | | | | | | | | | | | | | | | |
| Mr Gurvinder Singh Vohra | 09783549 | Independent Director | | | | | | | | | | | | | | | | | | | | | | |
| COMPANY SECRETARY AND COMPLIANCE OFFICER | Mrs. Shruti Jain 611 6 th Floor Jaina Tower II Distt. Centre Janakpuri, West Delhi, Delhi- 110058 Tel: +011-44750642/ +91-9599497767 Email: secretarial@avaxapparels.com | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | |
|--------------------------------|--|---------------------------|------------------|----------------------------|
| | Website: https://www.avaxapparels.com/ | | | |
| CHIEF FINANCIAL OFFICER | Mr. Rajesh Singla St. No. 1, Kailash Nagar, Near Krishna Sweets, Ludhiana, Punjab- 141010 Tel: +91-7681949844 Email: accounts@avaxapparels.com Website: https://www.avaxapparels.com/ | | | |
| ISSUE PROGRAMME | Issue Opens On: | Tuesday, 7th January 2025 | Issue Closes On: | Thursday, 9th January 2025 |

Note: Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days.

DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

| | | |
|--|---|--|
| LEAD MANAGER TO THE ISSUE | |     |
| SKI Capital Services Limited SEBI Registration No.: INM000012768 Address: 718, Dr Joshi Road, Karol Bagh, New Delhi- 110005 Telephone No.: 011-45046026 Email: aaolipo@skicapital.net Website: https://www.skicapital.net/ Contact Person Name: Mr. Manick Wadhwa/Mr. Ghanisht Nagpal | | |
| REGISTRAR TO THE ISSUE | | |
| Skyline Financial Services Private Limited SEBI Registration No.: INR000003241 Address: D-153 A, 1st Floor, Okhla Industrial Area, New Delhi - 110020 Tel No: 011-26812682 Email: ipo@skylinerta.com Website: https://www.skylinerta.com/ Contact Person: Dinesh Rana | | |
| BANKER TO THE ISSUE & SPONSOR BANK | | |
| Axis Bank Limited SEBI Registration Number: INBI00000017 Address: No. 148, Statesman House, Barakhamba Road, New Delhi – 110001 Email: newdelhi.branchhead@axisbank.com Website: www.axisbank.com Contact Person: Branch Head | | |
| MARKET MAKER | | |
| SKI Capital Services Limited SEBI Registration No.: INM000012768 Address: 718, Dr Joshi Road, Karol Bagh, New Delhi- 110005 Telephone No.: 011-45046026 Email: aaolipo@skicapital.net Website: https://www.skicapital.net/ Contact Person Name: Mr. Manick Wadhwa/Mr. Ghanisht Nagpal | | |
| STATUTORY AUDITORS OF THE COMPANY | PEER REVIEW AUDITOR OF THE COMPANY | |
| Arvind Manoj & Associates, Chartered Accounts Firm Registration No. 028167N | NKSC & Co., Chartered Accountants Firm Registration No.: 020076N Peer Review No.: 014317 | |

| | |
|--|---|
| Address: D-138B, Gali no 5A, Laxmi Nagar, New Delhi – 110092 Mob. No: +91-9560991915 Fax No.: N.A. Email: fca.manojsharma1985@gmail.com Website: N.A. Contact Person: CA Manoj Sharma | Address: 208, Vats Market (Shiva Market), Pitampura, Delhi-110034 Tel. No: +91-011-43538598 Fax No.: N.A. Email: priyank@valuesquare.co.in Website: www.valuesquare.co.in Contact Person: CA Priyank Goyal |
| LEGAL ADVISOR TO THE COMPANY | PRINCIPAL BANKERS TO THE COMPANY |
| M/s. Vakalat India, Advocates 305-A, D. Mall, 3rd floor, Netaji Subhash Place, New Delhi 110034 Registration No. F/1564/1093/2011 (WB) DHCBA Membership no.: 25521/2022 Mobile No: +91-9038090848 Fax No.: NA Website: www.vakalatindia.com Email Id: vakalatindia@gmail.com Contact Person: Mr. Kausik Chatterjee (Advocate) | HDFC Bank Limited Address: KKP Road Opp Central Cooperative Bank, Sri Muksar Sahib, Punjab-152026 Tel. No.: +91-9988230042 Fax No.: NA Email: akhil.chand@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. Akhil Chand |

Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue, Skyline Financial Services Private Limited and/or the Lead Manager, i.e., SKI Capital Services Limited, in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, unblocking of amount in ASBA, etc.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted (at ASBA Bidding Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs where the Application was submitted by the ASBA Applicants.

For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

CHANGE IN THE AUDITOR DURING LAST 3 YEAR

There are no changes in the Auditor during last three (3) years as on date of this Prospectus except as below:

| S.No | From | To | Date | Reason for change |
|-------------|---|--|-------------------|--------------------------|
| 1. | Kumar Piyush & Co., Chartered Accountants Firm Registration No.: 005120N Membership No.: 083705 Address: C-5, Lajpat Nagar III, New Delhi 110024 | M P Gupta & Associates. Chartered Accountants Firm Registration No.: 027523N Membership No.: 509623 Address: B-3/59, 3rd Floor, Sector 6, Rohini, Delhi 110085 | August 20, 2021 | Due to pre occupancy. |
| 2. | M P Gupta & Associates. Chartered Accountants Firm Registration No.: 027523N Membership No.: 509623 Address: B-3/59, 3rd Floor, Sector 6, Rohini, Delhi 110085 | Arvind Manoj and Associates, Chartered Accountants Firm Registration No.: 028167N Membership No.: 520585 Add: D-138B, Gali no 5A, Laxmi Nagar, New Delhi - 110092 | December 30, 2022 | Due to pre occupancy. |

STATEMENT OF RESPONSIBILITY OF THE LEAD MANAGER/STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since SKI Capital Services Limited is the sole Lead Manager to this Issue, a statement of inter-se-allocation of responsibilities amongst Lead Managers is not required.

SELF-CERTIFIED SYNDICATE BANKS

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

INVESTORS BANKS OR ISSUER BANKS FOR UPI

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

REGISTERED BROKERS

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI (www.sebi.gov.in) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

CREDIT RATING

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

IPO GRADING

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

EXPERT OPINION

Our Company has received written consents dated February 6, 2024 from Peer Review Auditor namely, M/s NKSC & Co., Chartered Accountants, M/s. Vakalat India, Advocates and M/s G Gupta and Associates, Peer Review Practicing Company Secretaries, to include their name as an “expert” as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act.

The Peer Review Auditor M/s NKSC & Co., Chartered Accountants has given their expert opinion, as included in this Prospectus, in relation to the Restated Financial Information, the examination report dated October 28, 2024 on the same, and the statement of Special Tax Benefits dated October 28, 2024. Further, M/s. Vakalat India, Advocates has given their expert opinion, as included in this Prospectus, in relation to the Outstanding Litigations and Material Developments dated October 28, 2024 and M/s G Gupta and Associates, Peer Review Practicing Company Secretaries has given their expert opinion, in relation to RoC Search Report dated February 22, 2024, as included in this Prospectus.

Aforementioned consents have not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

DEBENTURE TRUSTEE

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

APPRAISAL AND MONITORING AGENCY

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

UNDERWRITING AGREEMENT

Our Company and LM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated August 1, 2024. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Name, Address, Telephone, Fax, and Email of the Underwriter | Indicative No. of Equity Shares to be Underwritten | Amount Underwritten (₹ in Lakh) | % of the Total Issue Size Underwritten |
|---|--|---------------------------------|--|
| SKI CAPITAL SERVICES LIMITED SEBI Registration No.: INM000012768 Address: 718, Dr Joshi Road, Karol Bagh, New Delhi-110005 Telephone No.: 011-45046026 Website: skicapital.net Email ID: aaolipo@skicapital.net Contact Person Name: Mr. Manick Wadhwa/Mr. Ghanisht Nagpal | 2,74,000 | 191.80 | 100% |

As per Regulation 260(2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriter is sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

FILING OF PROSPECTUS

A soft copy of the Prospectus shall be filed with SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> as per Regulation 246(1) of SEBI (ICDR) Regulations. Pursuant to Regulation 246(2) of SEBI ICDR Regulations the SEBI shall not issue any observation on the Issue document. A copy of the Prospectus along with the documents required to be filed under Section 26 read with Section 32 of the Companies Act will be delivered to the Registrar of Company, National Capital Territory of Delhi & Haryana 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi- 110019.

WITHDRAWAL OF THE ISSUE

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

Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager have entered into a tripartite agreement dated November 14, 2024 with SKI Capital Services Limited, the Market Maker for this Issue, duly registered with BSE to fulfil the obligations of Market Making:

| | |
|----------------------------------|---|
| Name: | SKI Capital Services Limited |
| SEBI Registration No.: | INM000012768 |
| BSE SME Registration No.: | SMEMM0664523112017 |
| Address: | 718, Dr Joshi Road, Karol Bagh, New Delhi- 110005 |
| Telephone No.: | 011-45046026 |
| Website: | https://www.skicapital.net/ |
| Email ID: | aaolipo@skicapital.net |
| Contact Person: | Mr. Manick Wadhwa/Mr. Ghanisht Nagpal |

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE Limited and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
7. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. **Risk containment measures and monitoring for Market Makers:** SME Platform of BSE will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value- At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
10. **Punitive Action in case of default by Market Maker:** SME Platform of BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may

be imposed by the Exchange on the Market Makers, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Market Maker(s) shall have the right to terminate said arrangement by giving a one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further, our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

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

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

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

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

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

SECTION VI-CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Prospectus is set forth below:

| S.No | Particulars | Amount (₹ in Lakhs) | |
|------|--|-------------------------|--------------------------------|
| | | Aggregate nominal value | Aggregate value at Issue Price |
| A. | Authorised Share Capital | | |
| | 20,00,000 Equity Shares of ₹10/- each | 200.00 | 1400.00 |
| B. | Issued, Subscribed and Paid-Up Share Capital before the Issue | | |
| | 7,65,158 Equity Shares of ₹10/- each | 76.51 | 535.61 |
| C. | Present Issue in terms of the Prospectus | | |
| | Issue of 2,74,000 Equity Shares of Face Value ₹10/- each at a Price of ₹ 70/-per Equity Share | 27.40 | 191.80 |
| | Consisting of: | | |
| | Reservation for Market Maker 14,000 Equity Shares of ₹10/- each at a price of ₹ 70/- per Equity Share reserved as Market Maker Portion. | 1.40 | 9.80 |
| | Net Issue to the Public 2,60,000 Equity Shares of ₹10/- each at a price of ₹ 70 /- per Equity Share. | 26.00 | 182.00 |
| | Of the Net Issue to the Public | | |
| | Allocation to Retail Individual Investors 1,30,000 Equity Shares of ₹10/- each at a price of ₹ 70/- per Equity Share shall be available for allocation for Investors applying for a value of up to ₹2.00 Lakhs. | 13.00 | 91.00 |
| | Allocation to Other than Retail Individual Investors 1,30,000 Equity Shares of ₹10/- each at a price of ₹ 70/- per Equity Share shall be available for allocation for Investors applying for a value of above ₹2.00 Lakhs. | 13.00 | 91.00 |
| D. | Issued, Subscribed and Paid-up Share Capital after the Issue | | |
| | 10,39,158 Equity Shares of ₹ 10/- each | | 103.91 |
| E. | Securities Premium Account | | |
| | Before the Issue | | 90.16 |
| | After the Issue | | 254.56 |

The present issue has been authorized by our Board of Directors vide a resolution passed at its meeting held on dated December 23, 2022 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the EGM of our shareholders held on December 30, 2022.

CLASS OF SHARES

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

NOTES TO THE CAPITAL STRUCTURE

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

1. Details of increase in Authorised Share Capital:

Since 02/06/2005 the authorised share capital of our Company has been altered in the manner set forth below:

| S. No. | Details of Increase in Authorized Share Capital | Effective Date |
|--------|--|----------------|
| 1 | Initial Authorized Capital ₹ 100000 | 02/06/2005 |
| 2 | Increase in Authorized Capital from ₹ 1,00,000/- to ₹ 2,00,000/- | 22/03/2010 |
| 3 | Increase in Authorized Capital from ₹ 2,00,000/-to ₹ 2,00,00,000/- | 11/05/2022 |

2. The history of the paid-up equity share capital and the securities premium account of our company is as set out in the following table: -

| Date of Allotment | No. of Equity Shares allotted | Face Value (₹) | Issue price (₹) | Nature of consideration | Nature of allotment | Cumulative no. Of equity shares | Cumulative paid-up share capital (₹) | Cumulative securities premium (₹) |
|--------------------------------|-------------------------------|----------------|-----------------|-------------------------|-------------------------------|---------------------------------|--------------------------------------|-----------------------------------|
| On Incorporation | 10000 | 10 | 10 | Cash | Subscribers to MOA(i) | 10,000 | 1,00,000 | -- |
| 22 nd March 2010 | 100000 | 1 | 1 | Cash | Subdivision of Equity Shares | 100000 | 1,00,000 | -- |
| 31 st March 2012 | 8200 | 1 | 49 | Cash | Further issue of shares(ii) | 108200 | 108200 | 4,01,800 |
| 11 th May 2022 | 10820 | 10 | 10 | Cash | Consolidation of Shares | 10820 | 108200 | - |
| 03 rd June 2022 | 1990 | 10 | 10 | Cash | Further issue of Shares (iii) | 12810 | 128100 | - |
| 11 th November 2022 | 602070 | 10 | 0 | N.A. | Bonus issue of Shares (iv) | 614880 | 6148800 | - |
| 8 th December 2022 | 150278 | 10 | 70 | Cash | Right issue of Shares (v) | 765158 | 7651580 | 90,16,680 |

Notes –

(i) Initial Subscribers to the Memorandum of Association subscribed to Equity Shares of Face Value of ₹ 10/- each, details of which are given below:

| S.No | Name of Person | Number of shares allotted | Percentage of Shareholding (%) |
|------|---------------------|---------------------------|--------------------------------|
| 1 | Sri Prakash Agrawal | 8000 | 80 |
| 2 | S K Gupta | 2000 | 20 |
| | Total | 10,000 | 100 |

(ii) Sub Division of Shares to the following Shareholders:

| S.No | Name of Person | Number of Equity Shares |
|------|----------------|-------------------------|
|------|----------------|-------------------------|

| | | |
|---|---------------------|-----------------|
| 1 | Sri Prakash Agrawal | 80000 |
| 2 | S K Gupta | 20000 |
| | Total | 1,00,000 |

(iii) Further, the 80000 equity shares of Mr. Sri Prakash Agrawal were transferred to M/s Raghunath Holdings & Finlease Ltd on 30th April 2010.

(iv) Further Allotment to 8200 equity shares to the following Shareholders:

| S.No | Name of Person | Number of shares allotted | Price per Equity Shares | Premium per Equity Shares |
|------|-------------------------------------|---------------------------|-------------------------|---------------------------|
| 1 | Prabhu Dhan Travels Private Limited | 8200 | 1/- | 49/- |

(v) Further the 80000 equity shares of M/s Raghunath Holding & Finlease Private Limited have been split on 01st September 2021 as per the following details.

| Name of Shareholder | No. of Equity Shares | Rate per Equity Shares |
|--|----------------------|------------------------|
| Raghunath Holding & Finlease Private Limited | 29100 | 1/- |
| | 29100 | 1/- |
| | 21800 | 1/- |
| Total | 80000 | |

(vi) Further the 8200 equity shares of M/s Prabhu Dhan Travels Private Limited have been split on 01st September 2021 as per the following details.

| Name of Shareholder | No. of Equity Shares | Rate per Equity Shares |
|-------------------------------------|----------------------|------------------------|
| Prabhu Dhan Travels Private Limited | 3200 | 1/- |
| | 5000 | 1/- |
| Total | 8200 | |

(vii) Further, the 29100 equity shares of M/s Raghunath Holding & Finlease Private Limited have been transferred to Mr. Harish Kumar on 01.09.2021.

(viii) Further, the 29100 equity shares of M/s Raghunath Holding & Finlease Private Limited have been transferred to Mr. Harinderpal Singh Sodhi on 01.09.2021.

(ix) Further, the 21800 equity shares of M/s Raghunath Holding & Finlease Private Limited have been transferred to Mr. Amandeep Singh on 01.09.2021.

(x) Further, the 3200 equity shares of M/s Prabhu Dhan Travels Private Limited have been transferred to Mr. Amandeep Singh on 01.09.2021.

(xi) Further, the 5000 equity shares of M/s Prabhu Dhan Travels Private Limited have been transferred to Mr. Amritpal Singh Gill on 01.09.2021.

(xii) Further, the 20000 equity shares of Mr. Sailesh Kumar Gupta have been transferred to Mr. Amritpal Singh Gill on 01.09.2021.

(xiii) Further Consolidation of 10820 equity shares to the following shareholders:

| Name of Shareholder | No. of Equity Shares | Rate per Equity Shares |
|-------------------------|----------------------|------------------------|
| Harish Kumar | 2910 | 10/- |
| Harinderpal Singh Sodhi | 2910 | 10/ |
| Amandeep Singh | 2500 | 10/ |
| Amritpal Singh Gill | 2500 | 10/ |

(xiv) Further Allotment to 1990 equity shares to the following Shareholders:

| S.No | Name of Person | Number of shares allotted |
|------|-------------------------|---------------------------|
| 1 | Harish Kumar | 295 |
| 2 | Harinderpal Singh Sodhi | 295 |
| 3. | Deepika | 1400 |
| | Total | 1990 |

(xv) Bonus Allotment of 602070 equity shares to the following Shareholders:

| S.No | Name of Person | Number of shares allotted | Percentage of Shareholding (%) |
|------|-------------------------|---------------------------|--------------------------------|
| 1. | Harish Kumar | 150635 | 25.02 |
| 2. | Harinderpal Singh Sodhi | 150635 | 25.02 |
| 3. | Amandeep Singh | 117500 | 19.52 |
| 4. | Amritpal Singh Gill | 117500 | 19.52 |
| 5. | Deepika | 65800 | 10.93 |
| | Total | 602070 | 100.00 |

(xvi) Further, the 10798 equity shares of Mr. Amandeep Singh have been transferred to Mrs. Surinder Kaur on 01.12.2022.

(xvii) Further, the 21955 equity shares of Mr. Amritpal Singh Gill were transferred to Mrs. Kuldeep Kaur Gill on 01.12.2022.

(xviii) Right Allotment of 150278 equity shares to the following Shareholders:

| S.No | Name of Person | Number of shares allotted | Percentage of Shareholding (%) |
|------|--------------------|---------------------------|--------------------------------|
| 1. | Harish Kumar | 64244 | 28.50 |
| 2. | Harinder Pal Sodhi | 64244 | 28.50 |
| 3. | Deepika | 21790 | 11.63 |
| | Total | 150278 | |

3. Shareholding of the Promoters of our Company

As on the date of this Prospectus, our Promoters – Mr Harinderpal Singh Sodhi and Mr Harish Kumar hold a total 4,36,168 Equity Shares representing 57% of the pre-issue paid up share capital of our Company.

| S. No. | Name of Promoter | Number of Equity Shares held of ₹ 10/- each | % holding in equity shares |
|--------|-------------------------|---|----------------------------|
| 1. | Harinderpal Singh Sodhi | 218084 | 28.50 |
| 2. | Harish Kumar | 218084 | 28.50 |

Details of build-up of shareholding of the Promoters

Harinderpal Singh Sodhi:

| Date of Allotment / acquisition / transaction and when made fully paid up | Nature (Allotment/ transfer) | Number of Equity Shares | Face Value per Equity Share (in ₹) | Issue/ Transfer price per Equity Share (in ₹) | Consideration | % of pre issue capital of Cumulative Shares |
|---|------------------------------|-------------------------|------------------------------------|---|---------------|---|
| 01.09.2021 | Transfer | 2910* | 10* | 10* | Cash | 0.38% |
| 03.06.2022 | Allotment | 295 | 10 | 10 | Cash | 0.04% |
| 11.11.2022 | Bonus Issue | 150635 | 10 | 0 | Bonus | 19.69% |
| 08.12.2022 | Right Issue | 64244 | 10 | 70 | Cash | 8.40% |
| | Total | 218084 | | | | 28.50% |

* Adjusted for share capital consolidation on May 11, 2022 from Face Value Re. 1 to Face Value ₹ 10 per share.

Harish Kumar:

| Date of Allotment / acquisition / transaction and when made fully paid up | Nature (Allotment/ transfer) | Number of Equity Shares | Face Value per Equity Share (in ₹) | Issue/ Transfer price per Equity Share (in ₹) | Consideration | % of pre issue capital of Cumulative Shares |
|---|------------------------------|-------------------------|------------------------------------|---|---------------|---|
| 01.09.2021 | Transfer | 2910* | 10* | 10* | Cash | 0.38% |
| 03.06.2022 | Allotment | 295 | 10 | 10 | Cash | 0.04% |
| 11.11.2022 | Bonus Issue | 150635 | 10 | 0 | Bonus | 19.69% |
| 08.12.2022 | Right Issue | 64244 | 10 | 70 | Cash | 8.40% |
| | Total | 218084 | | | | 28.50% |

* Adjusted for share capital consolidation on May 11, 2022 from Face Value Re. 1 to Face Value ₹ 10 per share.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are under pledged.

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1. Our shareholding pattern

The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this Prospectus:

| Category Code | Category of shareholder | No. Of share holder | No. of fully paid up equity shares held | No. of Partly paid up equity shares held | No. of shares underlying Depository | Total nos. shares held | Share holding as a % of total no. of shares | No. of Voting Rights | | | Total as a % of (A+B+C) | No. of Shares Underlying Outstanding convertible | Shareholding, as a % assuming full conversion of convertible | No. (a) | As a % of total shares held (B) | No. (a) | As a % of total shares held (B) | Number of shares held in dematerialized form |
|---------------|---------------------------------------|---------------------|---|--|-------------------------------------|------------------------|---|----------------------|---------|--------|-------------------------|--|--|---------|---------------------------------|---------|---------------------------------|--|
| | | | | | | | | Class X | Class Y | Total | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| I | II | III | IV | V | VI | VII=IV+V+VI | VIII | IX | | | X | XI=VII+X | XII | | XIII | | XIV | |
| (A) | Promoters and Promoter Group | 2 | 436168 | - | - | 436168 | 57 | 436168 | - | 436168 | 57 | - | 57 | - | - | - | - | 436168 |
| (B) | Public | 5 | 328990 | - | - | 328990 | 43 | 328990 | - | 328990 | 43 | - | 43 | - | - | - | - | 328990 |
| (C) | Non Promoter - Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 7 | 765158 | - | - | 765158 | 100 | 765158 | - | 765158 | 100 | - | 100 | - | - | - | - | 765158 |

Note: In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/05/2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoter Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Accordingly, all the existing equity shares of the Company is in dematerialized form.

PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of BSE SME before commencement of trading of such Equity Shares.

2. As on the date of this Prospectus, there are no partly paid-up shares/outstanding convertible securities/warrants in our Company.
3. Following are the details of the holding of securities of persons belonging to the category “Promoter and Promoter Group” and public before and after the Issue:

| S.No | Name of shareholder | Pre Issue | | Post Issue | |
|-----------------------|-------------------------|----------------------|--------------------------|----------------------|--------------------------|
| | | No. of equity shares | As a % of Issued Capital | No. of equity shares | As a % of Issued Capital |
| Promoters | | | | | |
| 1 | Harinderpal Singh Sodhi | 218084 | 28.5 | 218084 | 20.99 |
| 2 | Harish Kumar | 218084 | 28.5 | 218084 | 20.99 |
| Total - A | | 436168 | 57 | 436168 | 41.97 |
| Promoter Group | | | | | |
| | NIL | - | - | - | - |
| Total – B | | - | - | - | - |
| Grand Total (A+B) | | 436168 | 57 | 436168 | 41.97 |

4. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

| Name of the Promoter | No. of Shares held | Average cost of Acquisition (in ₹) |
|-------------------------|--------------------|------------------------------------|
| Harinderpal Singh Sodhi | 218084 | 20.76 |
| Harish Kumar | 218084 | 20.76 |

Note: The average cost of acquisition is determined by taking into account the net value derived from the acquisition and disposal of Equity Shares, after accounting for any consideration received.

5. Details of Major Shareholders:

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

| S.No. | Name of shareholders | No. of Equity Shares held* | % of Paid up Capital** |
|-------|-------------------------|----------------------------|------------------------|
| 1. | Harinderpal Singh Sodhi | 218084 | 28.50 |
| 2. | Harish Kumar | 218084 | 28.50 |
| 3. | Deepika | 88990 | 11.63 |
| 4. | Amandeep Singh | 109202 | 14.27 |
| 5. | Amrinderpal Singh Sodhi | 98045 | 12.82 |
| 6. | Surinder Kaur | 10798 | 1.41 |
| 7. | Kuldeep Kaur Gill | 21955 | 2.87 |

- B. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of this Prospectus:

| S.No. | Name of shareholders | No. of Equity Shares held* | % of Paid up Capital** |
|-------|-------------------------|----------------------------|------------------------|
| 1. | Harinderpal Singh Sodhi | 218084 | 28.50 |
| 2. | Harish Kumar | 218084 | 28.50 |
| 3. | Deepika | 88990 | 11.63 |
| 4. | Amandeep Singh | 109202 | 14.27 |
| 5. | Amrinderpal Singh Sodhi | 98045 | 12.82 |
| 6. | Surinder Kaur | 10798 | 1.41 |
| 7. | Kuldeep Kaur Gill | 21955 | 2.87 |

C. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of this Prospectus:

| S.No. | Name of shareholders | No. of Equity Shares held* | % of Paid up Capital** |
|-------|-------------------------|----------------------------|------------------------|
| 1. | Harinderpal Singh Sodhi | 218084 | 28.50 |
| 2. | Harish Kumar | 218084 | 28.50 |
| 3. | Deepika | 88990 | 11.63 |
| 4. | Amandeep Singh | 109202 | 14.27 |
| 5. | Amrinderpal Singh Sodhi | 98045 | 12.82 |
| 6. | Surinder Kaur | 10798 | 1.41 |
| 7. | Kuldeep Kaur Gill | 21955 | 2.87 |

D. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Prospectus:

| S.No. | Name of shareholders | No. of Equity Shares held* | % of Paid up Capital** |
|-------|-------------------------|----------------------------|------------------------|
| 1. | Harinderpal Singh Sodhi | 218084 | 28.50 |
| 2. | Harish Kumar | 218084 | 28.50 |
| 3. | Deepika | 88990 | 11.63 |
| 4. | Amandeep Singh | 109202 | 14.27 |
| 5. | Amrinderpal Singh Sodhi | 98045 | 12.82 |
| 6. | Surinder Kaur | 10798 | 1.41 |
| 7. | Kuldeep Kaur Gill | 21955 | 2.87 |

* The Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of this Prospectus.

** The % has been calculated based on existing (pre-issue) Paid up Capital of the Company.

6. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Prospectus at a price lower than the Issue Price.

7. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
8. We have 7 (Seven) shareholders as on the date of filing of this Prospectus.
9. As on the date of this Prospectus, our Promoters and Promoters' Group hold total 4,36,168 Equity Shares representing 57% of the pre-issue paid up share capital of our Company.
10. None of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the Company which is a promoter of the Company and/or the Directors of the Company have purchased or sold any securities of our Company during the past six months immediately preceding the date of filing this Prospectus.
11. The members of the Promoters' Group, our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, during the six months immediately preceding the date of filing this Prospectus.

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

As per Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post-Issue Capital shall be considered as Promoter's Contribution.

Our Promoter has granted consent

to include such number of Equity Shares held by them as may constitute 20.00% of the post-issue Equity Share Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Prospectus until the completion of the lock-in period specified above.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Issue, whichever is later.

Explanation: The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilised as stated in the offer document, is expected to commence.

We further confirm that Minimum Promoters' Contribution of 20.00% of the post Issue Paid-up Equity Shares capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters' Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018. The lock-in of the Minimum Promoters' Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Equity Shares held by our Promoters, which are locked in for a period of three years from the date of Allotment in the Issue are given below:

| Name of Promoter | Date of Transaction and when made fully paid-up | Nature Of Transaction | No. Of Equity Shares | Face Value (₹) | Issue/Acquisition Price per Equity Share (₹) | Percentage of post-Issue paid-up capital (%) | Lock in Period |
|-------------------------|---|-----------------------|----------------------|----------------|--|--|----------------|
| Harinderpal Singh Sodhi | 11.11.2022 | Bonus | 103916 | 10 | - | 10% | Three Years |
| Harish Kumar | 11.11.2022 | Bonus | 103916 | 10 | - | 10% | Three Years |
| | | | | | Total | 20.00% | Three Years |

The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 237 of the SEBI ICDR Regulations. Equity Shares offered by the Promoters for the minimum Promoters' contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Public Issue.

Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

| Reg. No. | Promoters' Minimum Contribution Conditions | Eligibility Status of Equity Shares forming part of Promoter's Contribution |
|------------------|--|---|
| 237(1) (a) (i) | Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction | The minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible</u> |
| 237 (1) (a) (ii) | Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution | The minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible</u> |
| 237 (1) (b) | Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer | The minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u> |
| 237 (1) (c) | Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible | The minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u> |

| | | |
|-------------|---|--|
| 237 (1) (d) | Specified securities pledged with any creditor. | Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u> |
|-------------|---|--|

Details of Promoters' Equity Shares locked-in for one year:

In addition to above Equity Shares that are locked-in for three years as the minimum Promoters' contribution, the balance of Promoters' Pre-Issue Equity Share capital of our Company, shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

Pledge of Locked in Equity Shares:

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

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary(ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

Transferability of Locked in Equity Shares:

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.

13. Our Company, our Promoters, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.

14. Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, at any point of time since Incorporation, except as follows:

| S.No | Name of person | Number of Equity Shares | Nature of allotment |
|------|----------------|-------------------------|---------------------|
| 1. | Harish Kumar | 150635 | Bonus issue |

| | | | |
|----|-------------------------|---------------|-------------|
| 2. | Harinderpal Singh Sodhi | 150635 | Bonus issue |
| 3. | Amandeep Singh | 117500 | Bonus issue |
| 4. | Amritpal Singh Gill | 117500 | Bonus issue |
| 5. | Deepika | 65800 | Bonus issue |
| | Total | 602070 | - |

15. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013.
16. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
17. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
18. There are no safety net arrangements for this public Issue.
19. An oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the minimum allotment lot, while finalizing the Basis of Allotment.
20. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
21. All the Equity Shares of our Company are fully paid up as on the date of this Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
22. As per RBI regulations, OCBs are not allowed to participate in this Issue.
23. There is no “Buyback”, “Standby”, or similar arrangement by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares issued / offered through this Prospectus.
24. As on the date of this Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
25. Investors may note that in case of over-subscription, the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
26. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and BSE.
27. The Issue is being made through Fixed Price Method.
28. Lead Manager to the Issue viz. SKI Capital Services Limited and its associates do not hold any Equity Shares of our Company.
29. Our Company has not raised any bridge loan against the proceeds of this Issue.
30. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
31. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.

32. An Applicant cannot make an application for more than the number of Equity Shares being Issued/Offered through this Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
33. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
34. Our Promoters and the members of our Promoter Group will not participate in this Issue.
35. Our Company has not made any public issue since its incorporation.
36. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
37. For the details of transactions by our Company with our Promoter Group, Group Companies during the last three Fiscals i.e. 2022, 2023, and 2024, please refer to “**Related Party Transaction**” beginning on page number 135 of this Prospectus.
38. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in “**Our Management**” beginning on page number 112 of this Prospectus.

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SECTION VII-PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the BSE SME Platform.

THE OBJECTS OF THE ISSUE ARE: -

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

1. To meet out the Working Capital requirements of the Company;
2. To meet out the General Corporate Purposes; and

(Collectively referred as the "Objects")

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

Fund Requirements:

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

| Particulars | Amount (₹ In Lakh) |
|---------------------------|--------------------|
| Gross Issue Proceeds | 191.80 |
| Less: Issue Expenses | 20.00 |
| Net Issue Proceeds | 171.80 |

Fund Utilisation:

We intend to utilize the Net Issue proceeds, in the manner set forth below:

| S. N. | Particulars | Amount (₹ In Lakh) | % of Net Proceeds |
|-------|-----------------------------|--------------------|-------------------|
| 1 | Working Capital Requirement | 150.00 | 87.31 |
| 2 | General Corporate Purposes | 21.80 | 12.69 |
| | Net Issue Proceeds | 171.80 | 100.00% |

Means of Finance:

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

| Particulars | Amount (₹ In Lakh) |
|--------------------|--------------------|
| Net Issue Proceeds | 171.80 |
| Total | 171.80 |

The requirements of the objects detailed above are intended to be funded from the proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Prospectus.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see "***Risk Factors***" beginning on page 16 of the Prospectus.

DETAILS OF UTILIZATION OF ISSUE PROCEEDS

1. Working Capital Requirements:

Since 2021, our Company is in business of wholesale trading of garments and online retail of silver ornaments. The business of the Company is working capital intensive; hence it will meet the requirement to the extent of ₹ 150 Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirements of the business.

The reason for additional Working Capital is Wholesale trading of knitted cloth and online retail of silver ornaments both require substantial upfront investments to purchase inventory. As our business continues to expand in both of these areas, we require additional working capital to sustain our operations. With increased working capital, we can prioritize investment in inventory management, boost our marketing efforts, and enhance our online retail capabilities. This will enable us to meet the rising demand for our products and effectively scale our business operations.

The Company's business requires high working capital due to long credit period of about 180 days. Going forward, with in house manufacturing the Company expects to reduce working capital cycle by trying to get orders which has lesser credit period. However, working capital shall remain a key factor for growth of our business.

Details of Estimation of Working Capital requirements are as follows:

(₹ In Lakhs)

| (Amount in Rs Lakhs) | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Particulars | 31-03-2021 Audited | 31-03-2022 Audited | 31-03-2023 Audited | 31-03-2024 Audited | 31-03-2025 Projected | 31-03-2026 Projected |
| Current Assets | | | | | | |
| Inventories | - | - | 61.71 | 44.54 | 83.33 | 97.22 |
| Trade Receivables | - | 25.79 | 210.94 | 306.26 | 416.67 | 486.11 |
| Cash and Cash Equivalents | 0.69 | 14.13 | 34.00 | 25.98 | 15.00 | 15.00 |
| Other Current Assets | - | 5.40 | 10.25 | 12.16 | 30.00 | 30.00 |
| Total (A) | 0.69 | 45.32 | 316.90 | 388.94 | 545.00 | 628.33 |
| Current Liabilities | | | | | | |
| Trade Payables | - | 25.48 | 144.75 | 39.10 | 262.50 | 306.25 |
| Borrowings | - | 30 | - | 71.50 | 60.00 | 100.00 |
| Deferred tax liabilities | - | 0.03 | - | - | - | - |
| Current tax liabilities | - | 0.3 | 25.37 | 2.56 | 25.00 | 25.00 |
| Other Current Liabilities | 0.06 | 0.2 | 0.28 | 56.77 | 10.00 | 10.00 |
| Total (B) | 0.06 | 56.01 | 170.4 | 169.92 | 357.50 | 441.25 |
| Total Working Capital Gap (A) - (B) | 0.63 | -10.69 | 146.50 | 219.02 | 187.50 | 187.08 |
| Funding Patterns | | | | | | |
| Short-term borrowing & Internal Accruals | | | | 219.02 | 37.50 | 187.08 |
| Issue Proceeds | | | | | 150.00 | - |

Key assumptions for working capital projections made by the Company:

| Particulars | 31-03-2021 Audited | 31-03-2022 Audited | 31-03-2023 Audited | 31-03-2024 Audited | 31-03-2025 Projected | 31-03-2026 Projected |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Debtors (in days) | - | 321.61 | 51.65 | 49.98 | 50 | 50 |
| Creditors (in days) | - | 337.55 | 38.13 | 7.28 | 35 | 35 |
| Inventories (in days) | - | - | 15.11 | 7.27 | 10 | 10 |

Justifications for working capital projections made by the Company:

| S. No. | Particulars |
|----------------------|---|
| Trade Receivables | Our credit terms have stabilized at around 50 days and are projected to remain the same. In the initial period the credit terms were very high due to business being new and relationships and networks were being built. Now that the credit terms have stabilized to about 50 days which reflects the market practices. We do not see much change in the credit terms unless some unforeseen factors affect market demand and supply. |
| Trade Payables | Our trade payables are projected to remain at about 35 days which reflects market practices. However, in 2023-24 the trade payables reduced to 7.28 days which is because of temporary raw material constraints for which company paid forthwith to secure raw materials. However, going forward we see credit period remaining 35 days which is reflective of market practices. |
| Inventories | Our inventory holding period was about 15 days in 2023 which came down to about 7.27 days in 2024. It is projected to remain about 10 days of turnover. Inventory is kept keeping in view the orders in hand and the supply of raw materials in the market. We anticipate inventory holding period to be 10 days in the foreseeable future. |
| Other Current Assets | Other Current Assets have increased over the period. These include balance with Government authorities, advance to employees, advance to third parties, advance rent and prepaid expenses. These are incurred as and when required. |

| | |
|---------------------------|--|
| Other Current Liabilities | Other Current Liabilities have increased over the period. These includes expenses payable, statutory dues payable and interest accrued but not due. |
| Cash and Cash equivalents | Cash and cash equivalents reflect cash and bank balances at the end of the year. The Company maintains some liquidity to meet day-to-day expenses of the Company |
| Current tax liabilities | These reflect income tax and other liabilities payable by the Company. |

2. General Corporate Purpose

Our Company intends to deploy the balance Net Proceeds aggregating ₹21.80 Lakh for General Corporate Purposes subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited or restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

3. Issue Related Expenses

The estimated expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges, and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed ₹20 Lakh. The break-up of the same is as follows:

(₹ In Lakh)

| Particulars | Amount | % of total estimated expenses | % of total Issue size |
|--|--------------|-------------------------------|-----------------------|
| Lead manager(s) fees including underwriting commission, advisors and other experts. | 11.00 | 55.00 | 5.74 |
| Brokerage, selling commission and upload fees. | 0.60 | 3.00 | 0.31 |
| Registrars to the Issue | 0.60 | 3.00 | 0.31 |
| Legal Advisors | 1.00 | 5.00 | 0.52 |
| Peer Review Auditor | 0.70 | 3.50 | 0.36 |
| Advertising and marketing expenses | 1.40 | 7.00 | 0.73 |
| Regulators including stock exchanges | 3.00 | 15.00 | 1.56 |
| Printing and distribution of issue stationary | 0.20 | 1.00 | 0.10 |
| Others, if any include Bankers to the Issue, Depository, certifications, miscellaneous, etc. | 1.50 | 7.50 | 0.78 |
| Total estimated Issue expenses | 20.00 | 100.00 | 10.43 |

Notes:

1. Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows: Portion for RIIs 0.001% ^ (exclusive of GST) Portion for NIIs 0.001% ^ (exclusive of GST) ^Percentage of the amounts received against the Equity Shares Allotted (i.e., the product of the number of Equity Shares Allotted and the Issue Price).

2. The Members of RTAs and CDPs will be entitled to application charges of upto ₹10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.

3. Registered Brokers, will be entitled to a commission of upto ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.

4. SCSBs would be entitled to a processing fee of upto ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.

SCHEDULE OF IMPLEMENTATION

Our Company intends to utilize the Net Proceeds after deducting issue expenses for the following objects:

(₹ in Lakh)

| S. No. | Particulars | Estimated Utilization of Net Proceeds (Financial Year 2024-25) |
|--------|-----------------------------|--|
| 1 | Working Capital Requirement | 150.00 |
| 2 | General Corporate Purposes | 21.80 |
| Total | | 171.80 |

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

DEPLOYMENT OF FUNDS

The Company has received the Sources and Deployment Funds Certificate dated November 14, 2024 from M/s Arvind Manoj and Associates, Chartered Accountants. The certificate states that the Company has deployed amounts aggregating ₹15.00 Lakh. Details of the deployment of funds as on November 14, 2024, as per the certificate are as follows:

(₹ in Lakh)

| Particulars | Source of fund | Amount |
|----------------|------------------|--------------|
| Issue Expenses | Internal Accrual | 15.00 |
| Total | | 15.00 |

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

SHORTFALL OF FUNDS

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

INTERIM USE OF FUNDS

Pending utilization for the purposes described above, our Company intends to invest the funds in a fixed/term deposit with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

BRIDGE FINANCING FACILITIES

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

MONITORING UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than ₹10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency. Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company. No part of the Issue Proceeds will be paid by our Company as consideration to our Promoter, our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.

VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised 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 the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

OTHER CONFIRMATIONS

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business and as disclosed in the sections titled “***Our Promoters***”, “***Our Promoter Group***” and “***Our Management***” as mentioned on page 128, 132 and 112 of this Prospectus.

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BASIS FOR ISSUE PRICE

Investors should read the following summary with the “**Risk Factors**”, the details about our Company under the “**Our Business**” and its financial statements under the “**Financial Information**” beginning on page 16, page 88 and page 137 respectively of this Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price of ₹ 70/- per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹ 10/- and premium is ₹ 60/- per Equity Share.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are:

- | | |
|---------------------------------|---------------------------|
| 1. Company’s Core Business | 5. Competitive Advantage |
| 2. Qualified & Experienced Team | 6. Corporate Governance |
| 3. Customers Base | 7. Industry Growth Trends |
| 4. Geographic Exposure | 8. Wide Product Range |

For further details, refer to the chapter titled “**Our Business**” beginning on page 88 of this Prospectus.

QUANTITATIVE FACTORS

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

1. Basic & Diluted Earnings Per Share (EPS), as restated:

| Period | Basic & Diluted EPS (₹) | Weight |
|---------------------------------|----------------------------|--------|
| 2023-24 | 18.06 | 3 |
| 2022-23 | 9.07 | 2 |
| 2021-22* | 9.4 | 1 |
| Weighted Average EPS | 12.21 | 6 |
| EPS for Sep 30, 2024 annualized | 23.69 | |

*Face Value in 2021-22 was Rs 1 each and in FY2022-23 Face Value was Rs 10 each. To make fair comparison, EPS of 2021-22 has been accordingly adjusted.

Note:

- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period.
- Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

d) 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 period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹70 /- per Equity Share of face value ₹10/- each fully paid up.

| Particulars | P/E Ratio |
|---|-----------|
| P/E ratio based on the Basic & Diluted EPS, as restated for period ended Sep 30, 2024 | 2.96 |
| P/E ratio based on the Weighted Average EPS, as restated | 5.73 |

Industry P/E of Trading Textile Products:

| | |
|----------------|--------|
| Highest | 164.90 |
| Lowest | 15.52 |
| Average | 90.21 |

Note: Industry Peer may be modified for finalisation of Issue Price before filing Prospectus with RoC. There are no Industry Peers in the same business mix. Market prices as on November 18, 2024.

3. Return on Net Worth (RONW)

| Period | Return on Net Worth (%) | Weights |
|-------------------------|-------------------------|---------|
| 2023-24 | 43.91% | 3 |
| 2022-23 | 39.34% | 2 |
| 2021-22 | 61.21% | 1 |
| Weighted Average | 45.27% | 6 |
| Sep 30, 2024 | 22.36% | |

Note:

- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.
- Net worth is the aggregate value of the paid-up share capital of the Company and reserves and surplus, excluding revaluation reserves and attributable to equity holders.

4. Net Asset Value per Equity Share

| Particulars | Net Asset Value (NAV) in ₹ |
|-------------|----------------------------|
| 2023-24 | 41.13 |
| 2022-23 | 23.07 |
| 2021-22* | 15.28 |

| | |
|----------------------|-------|
| NAV for Sep 30, 2024 | 52.97 |
| NAV Post-Issue | 57.46 |
| Issue Price | 70 |

* Face Value in FY 2021-22 was Rs 1 each and in FY2022-23 Face Value was Rs 10 each. To make fair comparison, NAV of 2021-22 has been accordingly adjusted.

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

NAV = Net worth excluding preference share capital and revaluation reserve/Outstanding number of Equity shares outstanding during the year or period.

5. Comparison with industry peers

Trading/Textile Industry

| # | Name of the company | Face Value (Per Share) | CMP | EPS (Rs) | P/E Ratio | RONW (%) | NAV (₹ Per share) | PAT (₹ In Lakh) |
|-------------------|--------------------------------------|------------------------|-------|----------|-----------|----------|-------------------|-----------------|
| 1 | Avax Apparels and Ornaments Limited. | 10 | 70 | 18.06 | 3.88 | 44.72% | 52.97 | 90.61 |
| Peer Group | | | | | | | | |
| 2 | Anand Rayons Limited | 10 | 45.20 | 2.09 | 21.60 | 8.37 % | 25.3 | 159 |
| 3 | Aarnav Fashions Limited | 10 | 55.00 | 1.33 | 41.3 | 4.3% | 43.3 | 393 |

Source: <https://www.bseindia.com/markets/Equity/EORports/IndustryView.html?expandable=2&page=IN020301003%20&scripname=Trading%20-%20Textile%20Products>

Notes:

- Considering the nature and turnover of business of the Company the peers are not strictly comparable. However, the same have been included for broader comparison.
 - The figures for Avax Apparels and Ornaments Limited are based on the restated results for the half year ended September 30, 2024.
 - The figures for the peer group are for the half year ended 30 September 2024.
 - Profit after tax for half year ended 30 September 2024 has been annualized for calculating Return On Net Worth
 - Current Market Price (CMP) is the closing price of the respective scrip as on November 18, 2024.
6. The Face Value of our shares is ₹10 per Equity Share and the Issue Price is ₹70 per Equity Share which is 7 times the Face Value.
7. The Issue Price has been determined by our Company in consultation with the Lead Manager and justified by our Company in consultation with the Lead Manager on the basis of above parameters. Investors should read the above-mentioned information along with sections titled “**Our Business**”, “**Risk Factors**” and “**Financial Information**” beginning on page 88, 16 and 137 respectively including important profitability and return ratios to have a more informed view.

8. Key Financial and Operational Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 31, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this red herring prospectus. Further, the KPIs herein have been certified by M/s Arvind Manoj & Associates, Chartered Accountants, by their certificate dated November 14, 2024.

For details of our other operating metrics disclosed elsewhere, refer “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 88, and 195 respectively. Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later. Any change in these KPIs, during the aforementioned period, will be disclosed by the Company. Up till that, the ongoing KPIs shall continue to be certified as certified by M/s Arvind Manoj & Associates, Chartered Accountants, by their certificate dated November 14, 2024. Key Financial Performance Indicators of our Company:

| Particulars | Half Year Ended | Financial year ended | | |
|------------------------------------|--------------------|----------------------|----------------|----------------|
| | September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| Revenue from Operations (Rs Lakhs) | 1,500.93 | 2,205.98 | 1,470.21 | 28.87 |
| EBITDA (Rs Lakhs) | 145.20 | 210.07 | 99.22 | 1.35 |
| EBITDA Margin (%) | 9.67% | 9.52% | 6.75% | 4.67% |
| ROCE (%) | 31.06% | 61.68% | 53.56% | 81.43% |
| ROE (%) | 21.51% | 43.91% | 39.34% | 61.21% |
| PAT margin (%) | 6.04% | 6.26% | 4.72% | 3.51% |
| Net Working capital days (days) | 77.15 | 36.24 | 36.37 | (135.10) |

Notes:-

1. To compute the aforementioned financial key performance indicators (KPIs), the relevant numerical values are from disclosed information within the Restated Consolidated Financial Information.
2. Revenue from Operation: Restated revenue from operating activities of the business as reported in Restated Consolidated Financial Information (i.e. excluding other income)

Formula used to derive the above ratios is as under: -

| KPI metrics | Formula |
|--------------------------|---|
| EBITDA | Earnings Before Interest Tax and Depreciation |
| EBITDA margin (%) | (EBITDA/Revenue from Operations)*100 |
| ROCE (%) | (EBIT/ Capital Employed)*100 |
| ROE (%) | (Profit after Tax/Average Shareholder’s Equity)*100 |
| PAT margin (%) | (Profit after Tax/ Revenue from Operation) *100 |
| Net working capital days | (Working Capital*365)/Net Sales |

Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company.

| KPI metrics | Explanation |
|-------------------|---|
| EBITDA | The company has higher EBITDA which indicates that the company has high operating cash profits |
| EBITDA margin (%) | The EBITDA % of the company is continuously improving which indicates that the operative earnings/profits of the company are continuously increasing. |

| | |
|-------------------------------------|---|
| ROCE (%) | It is better to determine the profitability of company than return on equity. Higher ROCE indicates better performance of the company. |
| ROE (%) | A high return on Equity indicates that the company is more successful in generating profit internally. |
| PAT margin (%) | This ratio indicates the percentage of money the company earns per each rupee of revenue. |
| Net working capital days | Net working capital days describes how many days it takes for a company to convert its working capital into revenue. |
| Debt to equity ratio (times) | The D/E ratio is considered to be a gearing ratio, a financial ratio that compares the owner's equity or capital to debt, or funds borrowed by the company. |
| Fixed assets turnover ratio (times) | The fixed asset turnover ratio reveals how efficient a company is at generating sales from its existing fixed assets. |
| | KPIs disclosed in the offer document should be comprehensive and explanation shall be provided on how these KPIs have been used by the management historically to analyse, track or monitor the operational and/or financial performance of the Issuer Company. |

COMPARISON OF KPI WITH LISTED INDUSTRY PEERS

(Amount in Rs Lakhs)

| Key Performance Indicators | Anand Rayons Ltd. | | | | Aarnav Fashions Ltd. | | | |
|----------------------------|-------------------|----------------------|--------------|--------------|----------------------|----------------------|--------------|--------------|
| | Half year ended | Financial Year ended | | | Half year ended | Financial Year ended | | |
| | 30-Sep-24 | Mar 31, 2024 | Mar 31, 2023 | Mar 31, 2022 | 30-Sep-24 | Mar 31, 2024 | Mar 31, 2023 | Mar 31, 2022 |
| Revenue from Operations | 15,326 | 34,426 | 33,650 | 33,405 | 19,295 | 35,649 | 39,691 | 42,057 |
| EBITDA | 295.00 | 735 | 722 | 811 | 1,434 | 2,744 | 1,238 | 2,455 |
| EBITDA margin (%) | 1.92% | 2.14% | 2.15% | 2.14% | 7.43% | 7.70% | 3.12% | 5.84% |
| ROCE (%) | 11.00% | 14.46% | 14.86% | 18.07% | 7.00% | 7.00% | 5.71% | 9.39% |
| ROE (%) | 8.37% | 8.63% | 9.53% | 9.81% | 4.30% | 3.35% | 0.22% | 5.47% |
| PAT margin (%) | 1.04% | 0.91% | 0.94% | 0.88% | 2.04% | 1.69% | 0.10% | 2.25% |
| Net Working Capital days | 51.00 | 42.21 | 42.15 | 39.30 | 86.00 | 83.35 | 78.59 | 96.61 |

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SECTION VIII-ABOUT THE COMPANY

OUR INDUSTRY

The information presented in this section has been extracted from publicly available information, data and statistics. This information, data and statistics has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. You should read the entire Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” and related notes beginning on page 16 and 137 respectively of this Prospectus before deciding to invest in our Equity Shares.

Indian Economy

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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

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

MARKET SIZE

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and

Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

RECENT DEVELOPMENTS

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

- As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crore (US\$ 17.92 billion).
- Between April 2000-June 2022, cumulative FDI equity inflows to India stood at US\$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US\$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

GOVERNMENT INITIATIVES:

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

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022:
 - Prime Minister Mr. Narendra Modi, laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
 - The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.

- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of biocapsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.

- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

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

Textile Industry in India

INTRODUCTION

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

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

In order to attract private equity and employ more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

MARKET SIZE

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel.

India is the world's largest producer of cotton. Estimated production stood at 362.18 lakh bales during cotton season 2021-22. Domestic consumption for the 2021-22 cotton season is estimated to be at 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers.



Production of fibre in India reached 2.40 MT in FY21 (till January 2021), while for yarn, the production stood at 4,762 million kgs during the same period.

India's textile and apparel exports (including handicrafts) stood at US\$ 44.4 billion in FY22, a 41% increase YoY. India's textile and apparel exports to the US, its single largest market, stood at 27% of the total export value in FY22. Exports of readymade garments including cotton accessories stood at US\$ 6.19 billion in FY22.

India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

INVESTMENT AND KEY DEVELOPMENT

The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US\$ 4.03 billion from April 2000-June 2022. The textiles sector has witnessed a spurt in investment during the last five years.

- In September 2023, the Khadi and Village Industries Commission signed 3 MoUs to promote Khadi Products.

- In September 2023, Grasim Industries plans to open nearly 120 retail stores over the upcoming 2 years, by expanding its footprint in smaller cities and towns.
- In September 2023, Reliance Retail Ventures Ltd. (RRVL) announced the acquisition of Ed-a-Mamma for a 51% stake.
- In September 2023, Shadowfax inaugurated a 1.5 lakh sq. ft. fulfilment centre in Surat with 10 lakh orders per day processing capacity.
- In August 2023, the Ministry of Textiles approved 26 engineering institutions for the introduction of Technical Textiles under the National Technical Textiles Mission.
- In July 2023, PM MITRA Park, Amravati expected to attract investment of Rs. 10,000 crore (US\$ 1.20 billion) and create employment for 300,000 individuals.
- In May 2023, an investment of around Rs. 6,850 crore (US\$ 824.25 million) is expected in the PM MITRA Park in Madhya Pradesh and Rs. 8,675 crore (US\$1.04 billion) in other parts of the state.
- In May 2023, Aditya Birla Fashion and Retail Ltd. announced the acquisition of TCNS Clothing with a deal size of US\$ 198.54 million.
- India is expected to host the 81st Plenary Meeting of the International Cotton Advisory Committee (ICAC) from 2nd to 5th December 2023 in Mumbai with the theme “Cotton Value Chain- Local Innovations for Global Prosperity”.
- Cott-Ally mobile app has been developed for farmers to increase awareness about MSP rates, nearest procurement centers, payment tracking, best farm practices etc.
- In April 2023, Godrej Consumer Products Ltd (GCPL) announced the Rs. 2,825 crore (US\$ 339.93 million) acquisition of Raymond Consumer Care Ltd (RCCL).
- In April 2022, Indo Count Industries bagged the home textile business of GHCL for US\$ 74.14 million.
- In March 2022, Reliance Retail Ventures Limited (RRVL) acquired a controlling share of Purple Panda Fashions for US\$ 115.8 million
- Sutlej Textiles plans to set up a green field project for 89,184 spindles comprising cotton mélange yarn and PC grey yarn along with a dye house in Jammu & Kashmir with an estimated cost of US\$ 111.41 million (Rs. 914 crore).
- Vardhman has established Vardhman ReNova, a cotton recycling facility with a six TPD production capacity. By establishing two new facilities in Madhya Pradesh, the company has also increased its capacity to produce yarn. With top-notch technology, the expansion includes over 100,000 spindles in total. This will result in a 75 TPD increase in yarn production capacity.
- The textile ministry has selected 61 companies, including Arvind Limited to enjoy benefits under its US\$ 1.3 billion (Rs. 10,683 crore) production-linked incentive (PLI) scheme for the labour-intensive textiles and garment sector. The companies have pledged to invest US\$ 2.32 billion (Rs 19,077) crore over five years under the scheme, which will lead to an incremental turnover of US\$ 22.55 billion (Rs 1.85 trillion) and direct employment generation for 240,000 people.
- Arvind Limited, the largest textile to technology conglomerate in India, and PurFi Global LLC, a sustainable technology firm that specialises in rejuvenating textile waste into virgin grade products, have formed a joint venture to reduce the quantity of textile waste dumped in landfills.
- In November 2022, local weavers in Tuensang in Nagaland were provided 45 days of skill-upgrading training, which would equal 315 hours under the SAMARTH programme.

- In 2022-23, the Sardar Vallabhbhai Patel International School of Textiles and Management (SVPISTM) is planning to offer B.Sc. and MBA courses in technical textiles.
- In November 2021, Federico Salas, the Mexican Ambassador to India, visited the Khadi India Pavilion at the India International Trade Fair 2021 and suggested that India and Mexico should come together to promote Khadi globally.
- Companies in home textile are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.
- Home textile companies in India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.
- In October 2021, Welspun India collaborated with DuPont Biomaterials to introduce a home textile range and strengthen the company's sustainable textiles business.
- In May 2021, Indo Count Industries Ltd. (ICIL) announced an investment of Rs. 200 crore (US\$ 26.9 million) to expand its production capacity.
- In April 2021, RSWM Limited, flagship company of the US\$ 1.2 billion LNJ Bhilwara Group, was recognised for achieving the highest textile export turnover in 2020 by the Ministry of Industries & CSR, Government of Rajasthan.
- In April 2021, Bella Casa Fashion & Retail Ltd. (BCFRL) announced that it is expanding its two existing plants and adding one new facility to offer employment opportunities to 1,000 people. The expansion would involve a total investment of Rs. 65 crore (US\$ 8.63 million).

GOVERNMENT INITIATIVES

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

Other initiatives taken by the Government of India are:

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

- In December 2022, a total of 73,919 people (SC: 18,194, ST: 8,877, and Women: 64,352) have received training, out of which 38,823 have received placement under SAMARTH.
- The establishment of 7 (seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks with a total investment of US\$ 541.82 million (Rs. 4,445 crore) for the years up to 2027–28 was approved by the government.
- In the academic year 2022–23, the opening of a new campus of the National Institute of Fashion Technology (NIFT) in Daman. Moreover, new campus buildings are being constructed in Bhopal and Srinagar.
- Under the National Technical Textile Mission (NTTM), 74 research projects for speciality fibre and technical textiles valued at US\$ 28.27 million (Rs. 232 crore) were approved. 31 new HSN codes have been developed in this space.
- In November 2022, Tamil Nadu Chief Minister Mr. M. K. Stalin announced the establishment of a "Textile City" in Chennai as part of Tamil Nadu's strategy to become a major participant in the global textile industry. Additionally, the state will build a 1,500-acre textile park in the Virudhunagar district, for which SIPCOT will buy land.
- In June 2022, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated that the Indian government wants to establish 75 textile hubs, similar to Tiruppur, which will greatly increase employment opportunities while promoting the export of textile products and ensuring the use of sustainable technology.
- In June 2022, Amazon India signed a MoU with the Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCL), a Government of Manipur entity, to encourage the development of weavers and artisans throughout the state.
- In June 2022, the Kerala government announced that it would provide free training to 1,975 candidates under the SAMARTH scheme of the textile industry.
- The Sustainable Textiles for Sustainable Development (SusTex) project by the United Nations Climate Change entity enhances the employment and working circumstances of textile artisans while promoting the sustainable production and use of environmentally friendly textiles.
- In May 2022, Minister of Micro, Small and Medium Enterprises, Mr. Narayan Rane, inaugurated the Center of Excellence for Khadi (CoEK) at NIFT, Delhi. In order to produce innovative fabrics and apparel that will meet the needs of both domestic and foreign consumers, the CoEK will seek to introduce the newest designs and adopt procedures that adhere to international standards.
- In April 2022, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Mr. Piyush Goyal, said that new Economic Cooperation and Trade Agreements with Australia and the UAE would open infinite opportunities for textiles and handloom. Indian textile exports to Australia and the UAE would now face zero duties, and he expressed confidence that soon Europe, Canada, the UK and GCC countries would also welcome Indian textile exports at zero duty.
- In March 2022, the Tamil Nadu government included a Sustainable Cotton Cultivation Mission in its agriculture budget by allocating US\$ 1.86 million (Rs 15.32 crore) to enhance the yield of organic cotton
- In March 2022, the Ministry of Textiles, in collaboration with the Confederation of Indian Industries (CII), organized a day-long International Conference on Technical Textiles with the theme: Creating the Winning Leap in Technical Textiles.
- The Khadi and Village Industries Commission (KVIC) achieved turnover of Rs. 1.15 lakh crore (US\$ 14.68 billion) in FY22, a growth of 20.54% YoY, and more than any Indian FMCG company managed in FY22.
- The Government of India has earmarked a corpus of Rs. 1,000 crore (US\$ 127.72 million) dedicated for research and development of the technical textiles sector.

- In March 2022, the Bihar government submitted a proposal to the Ministry of Textiles to set up a mega hub under the PM Mitra Mega Textile Park.
- In March 2022, Tamil Nadu Chief Minister Mr. MK Stalin announced that the State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) will set up a mega textile park in the Virudhunagar district.
- Under the Union Budget 2022-23, the total allocation for the textile sector was Rs. 12,382 crore (US\$ 1.62 billion). Out of this, Rs.133.83 crore (US\$ 17.5 million) is for the Textile Cluster Development Scheme, Rs. 100 crore (US\$ 13.07 million) for the National Technical Textiles Mission, and Rs. 15 crore (US\$ 1.96 million) each for PM Mega Integrated Textile Region and Apparel parks scheme and the PLI Scheme.
- For export of handloom products globally, the Handloom Export Promotion Council (HEPC) is participating in various international fairs/events with handloom exporters/weavers to sell their handloom products in the international markets under NHDP.
- The Ministry of Textiles has also been implementing the Handloom Marketing Assistance (HMA), a component of National Handloom Development Programme (NHDP) all across India. HMA provides a marketing platform to the handloom weavers/agencies to sell their products directly to the consumers and develop and promote the marketing channel through organizing expos/events in domestic as well as export markets.
- In November 2021, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, stated the desire to target a 3-5x time increase in the export of technical textiles worth US\$ 10 billion over the next three years.
- The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which came into effect from January 1, 2022.
- Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. Piyush Goyal, announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs. 30 crore (US\$ 4.03 million) under the National Handloom Development Programme (NHDP). In November 2022, Tamil Nadu Chief Minister Mr. M. K. Stalin announced the establishment of a "Textile City" in Chennai as part of Tamil Nadu's strategy to become a major participant in the global textile industry. Additionally, the state will build a 1,500-acre textile park in the Virudhunagar district, for which SIPCOT will buy land.

ROAD AHEAD

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

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

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

The technical textiles market for automotive textiles is projected to increase to US\$ 3.7 billion by 2027, from US\$ 2.4 billion in 2020. Similarly, the industrial textiles market is likely to increase at an 8% CAGR from US\$ 2 billion in 2020 to US\$ 3.3 billion in 2027. The overall Indian textiles market is expected to be worth more than US\$ 209 billion by 2029.

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

Gems and Jewellery Industry in India

INTRODUCTION

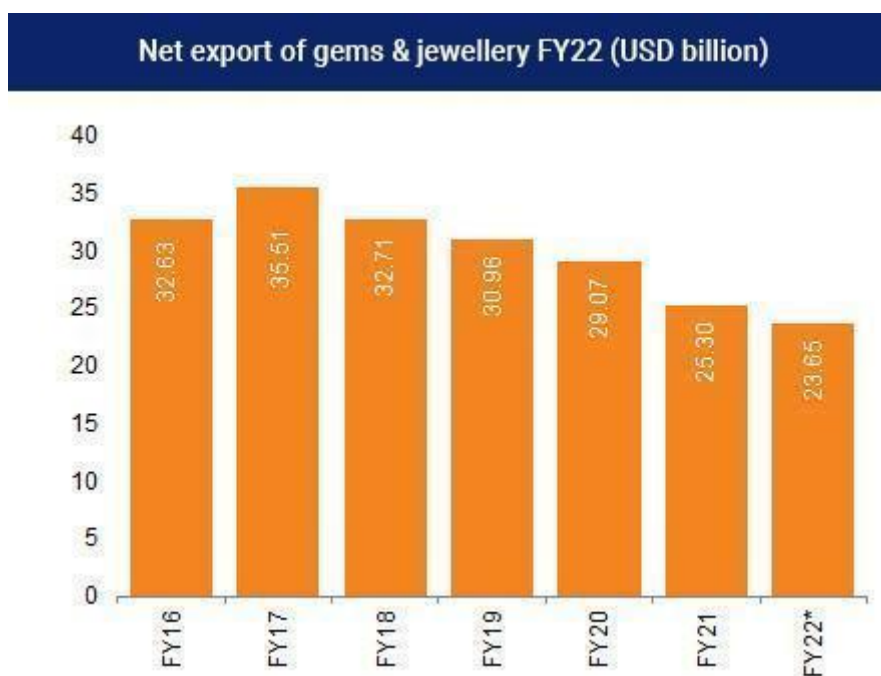
As of February 2021, India's gold and diamond trade contributed ~7.5% to India's Gross Domestic Product (GDP) and 14% to India's total merchandise exports. The gems and jewellery sector is likely to employ ~8.23 million persons by 2022, from ~5 million in 2020. Based on its potential for growth and value addition, the Government declared the gems and jewellery sector as a focus area for export promotion.

The Government has undertaken various measures recently to promote investment and upgrade technology and skills to promote 'Brand India' in the international market. The Government has permitted 100% FDI in the sector under the automatic route, wherein the foreign investor or the Indian company do not require any prior approval from the Reserve Bank or the Government of India. The Indian Government also signed a Comprehensive Economic Partnership Agreement (CEPA) with the United Arab Emirates (UAE) in March 2022, this will allow the Indian Gems and Jewellery industry to further boost exports. CEPA will provide the industry duty-free access to the UAE market. India's Gems Jewellery Export Promotion Council (GJEPC) aims to triple its exports to the UAE post the CEPA.

MARKET SIZE

India's gems and jewellery market size was at US\$ 78.50 billion in FY21. Growth in exports is mainly due to revived import demand in the export market of the US and fulfilment of orders received by numerous Indian exhibitors during the Virtual Buyer-Seller Meets (VBSMs) conducted by GJEPC.

India's gems and jewellery exports reached US\$ 39.14 billion in 2021-22, a 54.13% rise from the previous year. In October 2022, India's gems and jewellery exports was at US\$ 1.48 billion. The Government of India is aiming at US\$ 70 billion in jewellery export in the next five years (until 2025), up from US\$ 35 billion in 2020.



INVESTMENTS/DEVELOPMENTS

Cumulative FDI inflows in diamond and gold ornaments stood at US\$ 1,213.06 million between April 2000-June 2022, according to the Department for Promotion of Industry and Internal Trade (DPIIT).

Some of the key developments in this industry are listed below:

- In September 2021, Malabar Group invested ₹ 750 crore (US\$ 100 million) in a gold refinery and jewellery unit in Hyderabad.
- In May 2021, GJEPC and Embassy of India, Morocco, co-hosted the 'India Global Connect' to better understand the present business climate in the gems and jewellery sector and seek trade prospects for manufacturers, exporters and importers from both countries.
- The GJEPC will organise its first International Gems and Jewellery Show (IGJS) outside the country, in Dubai, from August 14-16, 2021. It will also hold a five-day physical exhibition—India International Jewellery show (IJS-2021)—in Bengaluru from September 15-19, 2021, in a first such event outside Mumbai. GJEPC sources said that >250 buyers have registered and >95 stalls have been booked for Dubai IGJS 2021. There will be 150 booths having products such as plain gold, gold-studded jewellery, diamond-studded jewellery, silver jewellery, loose diamonds and gemstones.
- In June 2021, Tanishq launched antimicrobial jewellery in certain markets as a pilot project. Currently, the range is available in stores across Chennai and Lucknow, with further launches planned in Kolkata and Hyderabad followed by other key markets. Antimicrobial jewellery is being offered in categories such as chains and rings, which feature special-coated layers that self-disinfect the surface and impede any further microbial growth.
- In June 2021, the World Gold Council and Gem and Jewellery Export Promotion Council signed an agreement to promote gold jewellery in India. Under the agreement terms, both partners will jointly fund a multi-media marketing campaign that would aim to increase awareness, relevance and adoption of gold jewellery amongst Indian consumers, especially in millennials and Gen Z.
- In April 2021, Malabar Gold & Diamonds announced to invest ₹ 1,600 crore (US\$ 214 million) in FY22 to launch 56 stores, of which 40 would be in India and 16 across global markets. In India, stores will be opened in Tamil Nadu, Telangana, Andhra Pradesh, Karnataka, Maharashtra, Delhi, West Bengal, Uttar Pradesh, Odisha and Kerala. In July 2021, the company announced hiring of >5,000 staff, across its retail operations, brand headquarters and regional offices in the country.
- In March 2021, Joyalukkas collaborated with IBM Global Business Services to design, develop and deploy a new cloud-native e-commerce platform across 11 countries including India, the UAE, the US, the UK, Singapore, Malaysia, Bahrain, Qatar, Saudi Arabia, Kuwait and Oman.
- In February 2021, Reliance expanded its e-commerce arm, JioMart, to jewellery with silver coins of 5gm and 10 gm, and gold coins of 1gm, 5gm and 10gm.
- Reliance's in-house jewellery brand, Reliance Jewels, which has ~93 flagship showrooms and 110 shop-in-shops in 105 cities in the country, will fulfil the orders for the new segment.

GOVERNMENT INITIATIVES

- India has signed an FTA with the UAE which will further boost exports and is expected to reach the target of US\$ 52 billion.
- The Government has reduced custom duty on cut and polished diamond and colored gemstones from 7.5% to 5% and NIL.
- Revised SEZ Act is also expected to boost exports of gems and jewellery.
- In September 2021, Mrs. Anupriya Patel, Minister of State for Commerce and Industry said that reforms such as the revamped gold monetisation scheme, reduction in import duty of gold, hallmarking and others would help the industry grow. The market export target is US\$ 43.75 billion for 2021.
- The government has reduced import duty for Gold & Silver (from 12.5% to 7.5%) and Platinum & Palladium (from 12.5% to 10%) to bring down the prices of precious metals in the local market.

- Indian Government made hallmarking mandatory for Gold Jewellery and Artefacts. A period of one year is provided for implementation i.e. till January 2021.
 - In December 2020, All India Gem and Jewellery Domestic Council (GJC) welcomed the decision to make hallmarking compulsory from June 2021 in a phased manner; urged the government to examine the key concerns of the industry for smooth implementation of the initiative.
 - Hallmarking of gold jewellery is set to begin from June 15, 2021. In view of the COVID-19 pandemic, the government accepted request of stakeholders to provide jewellers some more time to prepare for implementation and resolve issues. Earlier, the date of implementation was June 01, 2021.
- In December 2020, the Finance Ministry notified that the amendment under Prevention of Money Laundering Act (PMLA), notifying dealers in precious metals and stones, will maintain records of cash transactions worth ₹ 10 lakh (US\$ 13.61 thousand) or more cumulatively with a single customer.

(Source: <https://www.ibef.org/industry/gems-jewellery-india>)

E-commerce Industry in India

INTRODUCTION

In recent years India has experienced a boom in internet and smartphone penetration. The number of internet connections in 2021 increased significantly to 830 million, driven by the 'Digital India' programme. Out of the total internet connections, ~55% of connections were in urban areas, of which 97% of connections were wireless. The smartphone base has also increased significantly and is expected to reach 1 billion by 2026. This has helped India's digital sector and it is expected to reach US\$ 1 trillion by 2030. This rapid rise in internet users and smartphone penetration coupled with rising incomes has assisted the growth of India's e-commerce sector. India's e-commerce sector has transformed the way business is done in India and has opened up various segments of commerce ranging from business-to-business (B2B), direct-to-consumer (D2C), consumer-to-consumer (C2C) and consumer-to-business (C2B). Major segments such as D2C and B2B have experienced immense growth in recent years. India's D2C market is expected to reach US\$ 60 billion by FY27. The overall e-commerce market is also expected to reach US\$ 350 billion by 2030, and will experience 21.5% growth in 2022 and reach US\$ 74.8 billion.

MARKET SIZE

The Indian online grocery market is estimated to reach US\$ 26.93 billion in 2027 from US\$ 3.95 billion in FY21, expanding at a CAGR of 33%. India's consumer digital economy is expected to become a US\$ 1 trillion market by 2030, growing from US\$ 537.5 billion in 2020, driven by the strong adoption of online services such as e-commerce and edtech in the country.

According to Grant Thornton, e-commerce in India is expected to be worth US\$ 188 billion by 2025.

With a turnover of \$50 billion in 2020, India became the eighth-largest market for e-commerce, trailing France and a position ahead of Canada.



Propelled by rising smartphone penetration, the launch of 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017.

After China and the US, India had the third-largest online shopper base of 150 million in FY21 and is expected to be 350 million by FY26.

Indian consumers are increasingly adopting 5G smartphones even before the rollout of the next-gen mobile broadband technology in the country. Smartphone shipments reached 169 million in 2021 with 5G shipments registered a growth of 555% year on year 2021. Indian consumers are increasingly adopting 5G smartphones even before the rollout of the next-gen mobile broadband technology in the country. Smartphone shipments reached 150 million units and 5G smartphone shipments crossed 4 million in 2020, driven by high consumer demand post-lockdown. According to a report published by IMAI and Kantar Research, India’s internet users are expected to reach 900 million by 2025 from ~622 million internet users in 2020, increasing at a CAGR of 45% until 2025.

For the 2021 festive season, Indian e-commerce platforms generated sales with a Gross Merchandise Value (GMV) of US\$ 9.2 billion, a 23% increase from last year’s US\$ 7.4 billion.

INVESTMENTS/DEVELOPMENTS

Some of the major developments in the Indian e-commerce sector are as follows:

- In October 2023, a tech-driven logistics platform iThink Logistics announced a strategic collaboration with India Post to boost e-commerce deliveries across remote parts of the country.
- Amazon CEO Mr. Andy Jassy announced that the company is committed to investing US\$ 26 billion in India by 2030, out of which US\$ 11 billion has already been invested.
- In July 2023, the post office departments of Canada and India recently entered into an agreement, which is aimed at facilitating e-commerce exports and establishing an International Tracked Packet Service (ITPS) between the two countries.
- As of May 2023, the Indian government's open e-commerce network ONDC has expanded its operations into 236 cities in the country while adding more than 36,000 merchants.
- In June 2023, Amazon India launched its new and affordable Amazon Prime Lite membership plan for shoppers in the country.
- Walmart is preparing to spend over US\$ 2.5 billion in India as the retailer doubles down on the opportunities it sees in India’s e-commerce and payments markets.
- Hyperlocal e-commerce startup, Magicpin announced that its daily order volume has zoomed 100-fold to 10,000 per day from over 100 within a month of joining the government-promoted Open Network for Digital Commerce (ONDC) network.

- In June 2022, Amazon India signed an MoU with Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCL), a Government of Manipur Enterprise to support the growth of artisans and weavers across the state.
- India's eCommerce sector received US\$ 15 billion of PE/VC investments in 2021 which is a 5.4 times increase year on year. This is the highest investment value received by any sector ever in India.
- In February 2022 Xpressbees a logistics ecommerce platform became a unicorn valued at US\$ 1.2 billion in 2022. The firm raised US\$ 300 million in its Series F funding.
- In February 2022, Amazon India launched the One District One product (ODOP) bazaar on its platform to support MSMEs.
- In February 2022, Flipkart launched the "sell back program" to enable trade in smartphones.
- In January 2022, Walmart invited Indian sellers to join its US marketplace with the aim of exporting US\$ 10 billion from India each year by 2027.
- In January 2022, Flipkart has announced expansion in its grocery services and will offer services to 1,800 Indian cities.
- In November 2021, XPDEL US-based ecommerce announced expansion in India.
- In September 2021, CARS24, India's leading used car e-commerce platform, raised US\$ 450 million in funding, comprising a US\$ 340 million Series F equity round and US\$ 110 million in debt from various financial institutions.
- In September 2021, Amazon launched Prime Video Channels in India. Prime Video Channels will give Prime members a seamless experience and access to a variety of popular video streaming services.
- In September 2021, Bikayi, a mobile commerce enabler, raised US\$ 10.8 million in a Series A funding round, led by Sequoia Capital India.
- Flipkart, India's e-commerce powerhouse, announced in July 2021 that it has raised US\$ 3.6 billion in new funding from various sources including sovereign funds, private equities and Walmart (parent company).

GOVERNMENT INITIATIVES

Since 2014, the Government of India has announced various initiatives, namely Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support growth of E-commerce in the country. Some of the major initiatives taken by the Government to promote E-commerce in India are as follows:

- Government e-Marketplace (GeM) is an online platform for public procurement in India that was launched on August 9, 2016, by the Ministry of Commerce and Industry with the objective of creating an inclusive, efficient, and transparent platform for the buyers and sellers to carry out procurement activities in a fair and competitive manner.
- In FY23, the procurement of goods and services from the government portal crossed the Rs. 2 lakh crore (US\$ 24 billion) mark.
- As of November 2022, the GeM portal has served 12.28 million orders worth Rs. 334,933 crore (US\$ 40.97 billion) from 5.44 million registered sellers and service providers for 62,247 buyer organizations.
- In a bid to systematise the onboarding process of retailers on e-commerce platforms, the Department for Promotion of Industry and Internal Trade (DPIIT) is reportedly planning to utilise the Open Network for Digital Commerce (ONDC) to set protocols for cataloguing, vendor discovery and price discovery. The department aims to provide equal opportunities to all marketplace players to make optimum use of the e-commerce ecosystem in the larger interest of the country and its citizens.

- National Retail Policy: The government had identified five areas in its proposed national retail policy—ease of doing business, rationalisation of the licence process, digitisation of retail, focus on reforms and an open network for digital commerce—stating that offline retail and e-commerce need to be administered in an integral manner.
- The Consumer Protection (e-commerce) Rules 2020 notified by the Consumer Affairs Ministry in July directed e-commerce companies to display the country of origin alongside the product listings. In addition, the companies will also have to reveal parameters that go behind determining product listings on their platforms.
- Government e-Marketplace (GeM) signed a Memorandum of Understanding (MoU) with Union Bank of India to facilitate a cashless, paperless and transparent payment system for an array of services in October 2019.
- Under the Digital India movement, the Government launched various initiatives like Umang, Start-up India Portal, Bharat Interface for Money (BHIM) etc. to boost digitisation.
- In October 2020, Minister of Commerce and Industry, Mr. Piyush Goyal invited start-ups to register at the public procurement portal, GeM, and offer goods and services to government organisations and PSUs.
- In October 2020, amending the equalisation levy rules of 2016, the government mandated foreign companies operating e-commerce platforms in India to have permanent account numbers (PAN). It imposed a 2% tax in the FY21 budget on the sale of goods or delivery of services through a non-resident e-commerce operator.
- In order to increase the participation of foreign players in E-commerce, the Indian Government hiked the limit of FDI in the E-commerce marketplace model to up to 100% (in B2B models).
- Heavy investment made by the Government in rolling out a fiber network for 5G will help boost E-commerce in India.

ROAD AHEAD

The E-commerce industry has been directly impacting micro, small & medium enterprises (MSME) in India by providing means of financing, technology and training and has a favourable cascading effect on other industries as well. The Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second-largest E-commerce market in the world by 2034. Technology-enabled innovations like digital payments, hyper-local logistics, analytics-driven customer engagement and digital advertisements will likely support the growth in the sector. India is also planning to introduce Open Network for Digital Commerce (ONDC). ONDC will enable e-commerce platforms to synchronize search results on all the e-commerce platforms and display products and services from every platform. This will further boost business for MSMEs and help fuel India's e-commerce growth. The growth in the sector will further encourage employment, increase revenues from export, increase tax collection by exchequers, and provide better products and services to customers in the long term.

The Indian e-commerce sector is likely to expand in different markets. India's e-retail market is expected to continue its strong growth - it registered a CAGR of over 35% to reach ₹1.8 trillion (US\$ 25.75 billion) in FY20. Over the next five years, the Indian e-retail industry is projected to exceed ~300-350 million shoppers, propelling the online Gross Merchandise Value (GMV) to US\$ 100-120 billion by 2025.

According to Bain & Company report, India's social commerce gross merchandise value (GMV) stood at ~US\$ 2 billion in 2020. By 2025, it is expected to reach US\$ 20 billion, with a potentially monumental jump to US\$ 70 billion by 2030, owing to high mobile usage.

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

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OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the "Company" or "we", "us" or "our" means Avax Apparels and Ornaments Limited.

All financial information stated in this section is extracted and therefore should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the sections titled "Risk Factors" and "Financial Information" beginning on pages 16 and 137 respectively.

BUSINESS OVERVIEW

The Company engages in two distinct lines of business:

- Wholesale trading
- Online retail of silver ornaments

Wholesale trading:

The Company operates in the wholesale trading of knitted cloth. They directly buy from manufacturers and supply wholesale to companies and readymade garment manufacturers in Punjab. The company specializes in knitted cloth, which are used for manufacturing of ladies and gents' jackets.

The company's key advantages in wholesale trading include a geographical advantage, being located in the hub of cloth manufacturing. Additionally, the growing demand for these products and the strong business relationships of the management also contribute to the company's success in this segment.

Manufacturing of Knitted Cloth

The company has recently purchased machinery for manufacturing of knitted cloth. The Company is going to start manufacturing very soon, a step towards backward integration. We aim to manufacture what we have been outsourcing till now. This would increase our profit margins going forward. Also we expect, this would allow us to get work which has less credit period involved thereby reducing our high working capital requirements

Online retail silver ornaments business:

The Company operates in the business of online retail of silver ornaments. They offer a wide range of designs and articles with a choice of weight of products, such as silver rings, silver ladies pajeb, silver gents kada, silver plate set, silver glass, silver bangles, silver bowls, silver chains, and other silver jewellery. They are capable of supplying in all major cities across the country.

The company's key advantages in this business include operating in the affordable silver ornaments sector, an increase in demand for silver ornaments in Indian markets, the ability to replicate gold jewellery designs in silver, and access to exclusive Punjabi ethnic designs.

Our company is led by two promoters namely, Mr. Harinderpal Singh Sodhi as Managing Director and Mr. Harish Kumar as Executive (Whole Time) Director of the Company. Mr. Harinderpal Singh Sodhi worked as a Business Manager at Guru Nanak Kissan Sewa Kender from March 2014 to March 2022 and Mr. Harish Kumar worked as a business proprietor at Kunika Traders- Muktsar from May 2013 to March 2022.

SWOT ANALYSIS

| <i>Strength</i> | <i>Weakness</i> |
|------------------------|-------------------------------|
| ● Locational advantage | ● Limited financial resources |

| | |
|---|--|
| <ul style="list-style-type: none"> ● Good network and connections with the players in the Sector ● Excellent Customer Relations ● Experienced and professional Team ● Good Track record of the management | <ul style="list-style-type: none"> ● Limited pricing power due to emerging competition ● Limited experience specifically in silver ornament sales. |
| <i>Opportunity</i> | <i>Threats</i> |
| <ul style="list-style-type: none"> ● Government thrust under Make in India Policy ● Good demand knitted cloth and silver ornaments, the demand is expected to grow further ● Positive Government Initiatives ● Increasing share of the market | <ul style="list-style-type: none"> ● Changes in government policy ● Exposure to sharp changes in raw material prices. |

DETAILS OF THE MARKET

Knitted Cloth:

The knitted cloth market in India is a significant contributor to the country's textile industry, with a wide range of products being produced and exported to various countries around the world.

The Indian knitted cloth market is known for its high-quality products and competitive pricing, which has helped it to establish a strong presence in the global market. The major products being produced include t-shirts, sweaters, jerseys, and other knitwear garments, which are exported to countries such as the United States, Europe, and the Middle East.

The Indian government has implemented several measures to support and promote the growth of the knitted cloth market, including providing subsidies and incentives to textile manufacturers and exporters. Additionally, the government has set up special economic zones and textile parks to attract investments and encourage the growth of the textile industry.

The knitted cloth industry in India is also known for its large number of small and medium-sized enterprises (SMEs) which play a vital role in the production and manufacturing of knitted cloth. These SMEs are known for their flexibility and adaptability, which allows them to quickly respond to the changing market conditions and customer demands.

However, the knitted cloth market in India also faces some challenges such as the competition from cheaper imports, lack of modern technology and the high cost of raw materials. Despite these challenges, the market is expected to continue growing in the coming years, driven by increasing demand for high-quality knitted cloth products in the global market.

Overall, the knitted cloth market in India is a vital contributor to the country's textile industry, with a wide range of high-quality products being produced and exported to various countries around the world. Government support, a large number of SMEs and adaptability to changing market conditions have helped the market to establish a strong presence in the global market.

Online retail of silver ornaments:

The online market for silver ornaments in India is a rapidly growing industry, with a large number of websites and e-commerce platforms offering a wide range of silver jewellery products. Some of the key players in the Indian online silver jewellery market offer a wide range of silver jewellery products such as silver earrings, silver bangles, silver chains, silver pendants, and silver rings.

The silver ornaments market in India has grown significantly in recent years, driven by factors such as increasing disposable incomes, changing consumer preferences, and the growing popularity of online shopping. The market is also driven by the increasing use of social media platforms and digital marketing, which have made it easier for consumers to discover and purchase silver jewellery products online.

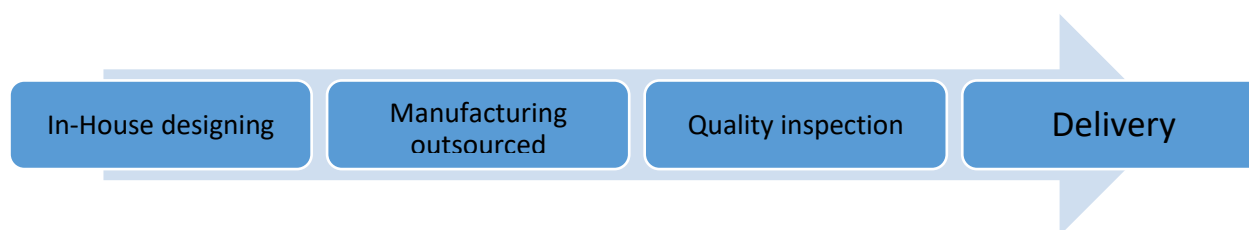
In terms of product offerings, the Indian online silver jewellery market is highly diversified, with a wide range of products available to cater to different tastes and preferences. From traditional designs to modern and contemporary styles, the market offers a variety of silver jewellery products to suit different occasions and budgets. Many of the online marketplaces also offer customization options, allowing customers to design their own silver jewellery products.

In terms of pricing, the Indian online silver jewellery market is competitive, with a wide range of products available at different price points. Prices of silver ornaments depend on the weight, design and craftsmanship. The online retailers also offer discounts and deals throughout the year, making it more affordable for consumers to purchase silver jewellery products.

Overall, the online market for silver ornaments in India is a rapidly growing industry, with a wide range of products, competitive pricing and a lot of options to choose from. Due to the COVID-19 pandemic, the online market has seen a surge in the demand for silver ornaments as people were hesitant to visit physical stores.

BUSINESS STRATEGY AND PROCESS FLOW

Process of wholesale trading business is described below: -

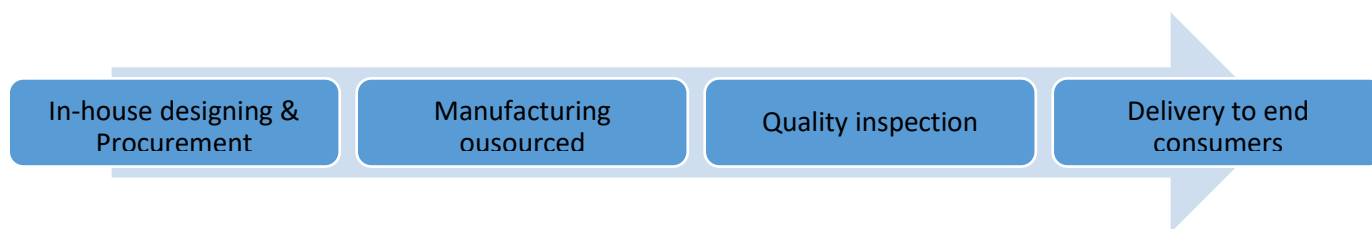


Our Company maintains an in-house designing team to create customized designs based on customer preferences. After design selection by customer, orders are outsourced to third-party manufacturers. A quality assurance team conducts thorough inspections to ensure high standards. Only output meeting quality criteria proceed to final delivery to customers.

1. **In-house designing:** We maintain an in-house Designing team responsible for crafting bespoke designs tailored to our customers' preferences. Upon design completion, customers have the opportunity to meticulously select their preferred designs and specify the quantity of pieces they wish to order.
2. **Manufacturing outsourced:** Following the design selection phase, the orders are meticulously outsourced to a network of manufacturers. Our rigorous selection process ensures that each manufacturer meets our stringent standards for quality and craftsmanship.
3. **Quality inspection:** Upon receipt of the manufactured pieces, our quality assurance team conducts thorough inspections to ensure adherence to our high-quality standards.
4. **Delivery:** Only pieces that meet our rigorous quality criteria proceed to the final stage of delivery to our valued customers.
5. This comprehensive process reflects our commitment to delivering exceptional designs, maintaining stringent quality control, and ensuring customer satisfaction at every step of the journey.
6. **In-house manufacturing:** The Company is going to start manufacturing very soon, a step towards backward integration. We aim to manufacture what we have been outsourcing till now. This would increase our profit

margins going forward. Also we expect, this would allow us to get work which has less credit period involved thereby reducing our high working capital requirements.

Process of silver ornaments business is described below: -



The company's process includes in-house design creation to meet customer preferences, securing raw materials like silver bars with third-party manufacturers, online design selection by customers, outsourcing manufacturing to a trusted network, rigorous quality inspection by our team, and delivery of items that meet the quality standards.

1. **Design Creation:** Our in-house Designing team specializes in crafting unique designs to meet the specific preferences of our customers.
2. **Raw Material Procurement:** We secure our raw materials, specifically silver bars, and entrust their safekeeping to third-party vendor through formal agreement. The vendor serve as custodian, ensuring the integrity and security of the materials.
3. **Design Selection Process:** Customers have the convenience of selecting their preferred designs through our user-friendly online platform.
4. **Outsourcing:** Upon design selection, the manufacturing process is outsourced to a vendor.
5. **Quality Inspection:** Our quality assurance team meticulously inspects the received pieces to ensure they meet our stringent quality standards. Only items that pass this rigorous evaluation proceed to the next stage.
6. **Efficient Delivery:** Once the quality check is complete and the pieces meet our standards, we proceed with the delivery process to ensure timely and satisfactory fulfilment of customer orders.

NATURE OF OUR PRODUCT AND PRODUCT RANGE

Our primary offerings consist of knitted cloth for wholesale trading and silver ornaments for retail sales via our ecommerce platform.

Knitted Cloth:

| |
|----------|
| Products |
|----------|



Finished products

Note: For illustration purposes only, our product range is not limited to the products shown as above.

Silver Ornaments:

| Products | |
|--|---|
|  |  |
| Men's silver jewellery | Ethnic Punjabi gold-plated silver jewellery |
|  |  |
| Ethnic Punjabi women's jewellery | |

Note: For illustration purposes only, our product range is not limited to the products shown as above.

PRODUCT WISE BREAKUP

| Particulars | Half year ended 30 Sep 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|------------------|--------------------------------|-------|-------------------------|-------|----------------------|-------|-------------------------|-------|
| | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % |
| Knitted Cloths | 1499.87 | 99.93 | 2126.18 | 96.38 | 1223.31 | 83.21 | 24.56 | 85.09 |
| Silver Ornaments | 1.06 | 0.07 | 79.80 | 3.62 | 246.89 | 16.79 | 4.32 | 14.91 |

OUR CLIENT BASE

| Particulars | Half year ended 30 Sep 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|------------------|--------------------------------|-------|----------------------|-------|-------------------------|-------|-------------------------|-------|
| | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % |
| Top 5 Customers | 1197.19 | 79.76 | 1279.28 | 57.99 | 664.98 | 45.23 | 25.79 | 85.69 |
| Top 10 Customers | 1478.61 | 98.51 | 1922.88 | 87.17 | 984.35 | 66.95 | 25.79 | 85.69 |

OUR SUPPLIER BASE

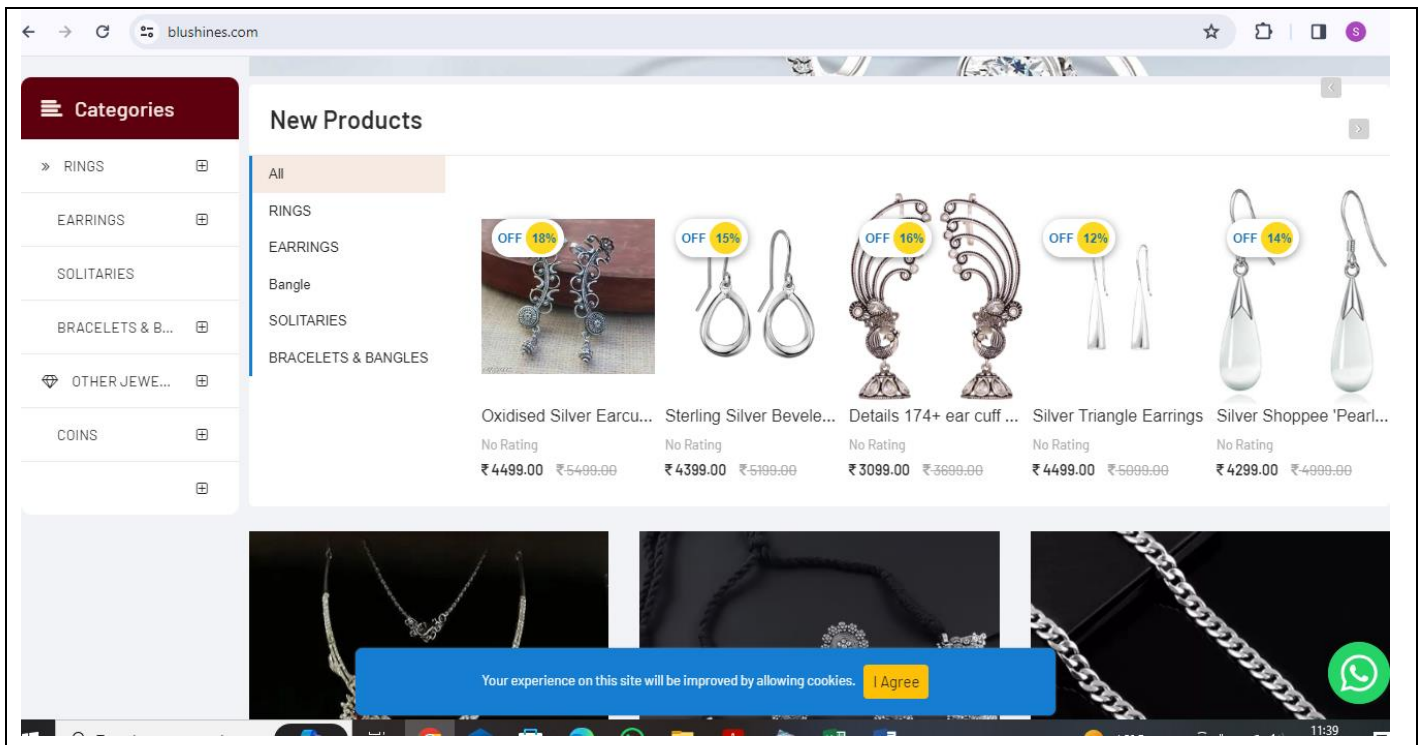
| Particulars | Half year ended 30 Sep 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|------------------|--------------------------------|-------|----------------------|-------|-------------|-------|-------------------------|------|
| | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % | In % | In % | Amount (Rs Lakhs) | In % |
| Top 5 Suppliers | 1251.44 | 85.44 | 1568.15 | 81.53 | 804.20 | 58.85 | 28.38 | 100 |
| Top 10 Suppliers | 1415.54 | 96.64 | 1840.57 | 95.69 | 1145.22 | 83.81 | 28.38 | 100 |

PLACE OF BUSINESS OF THE COMPANY

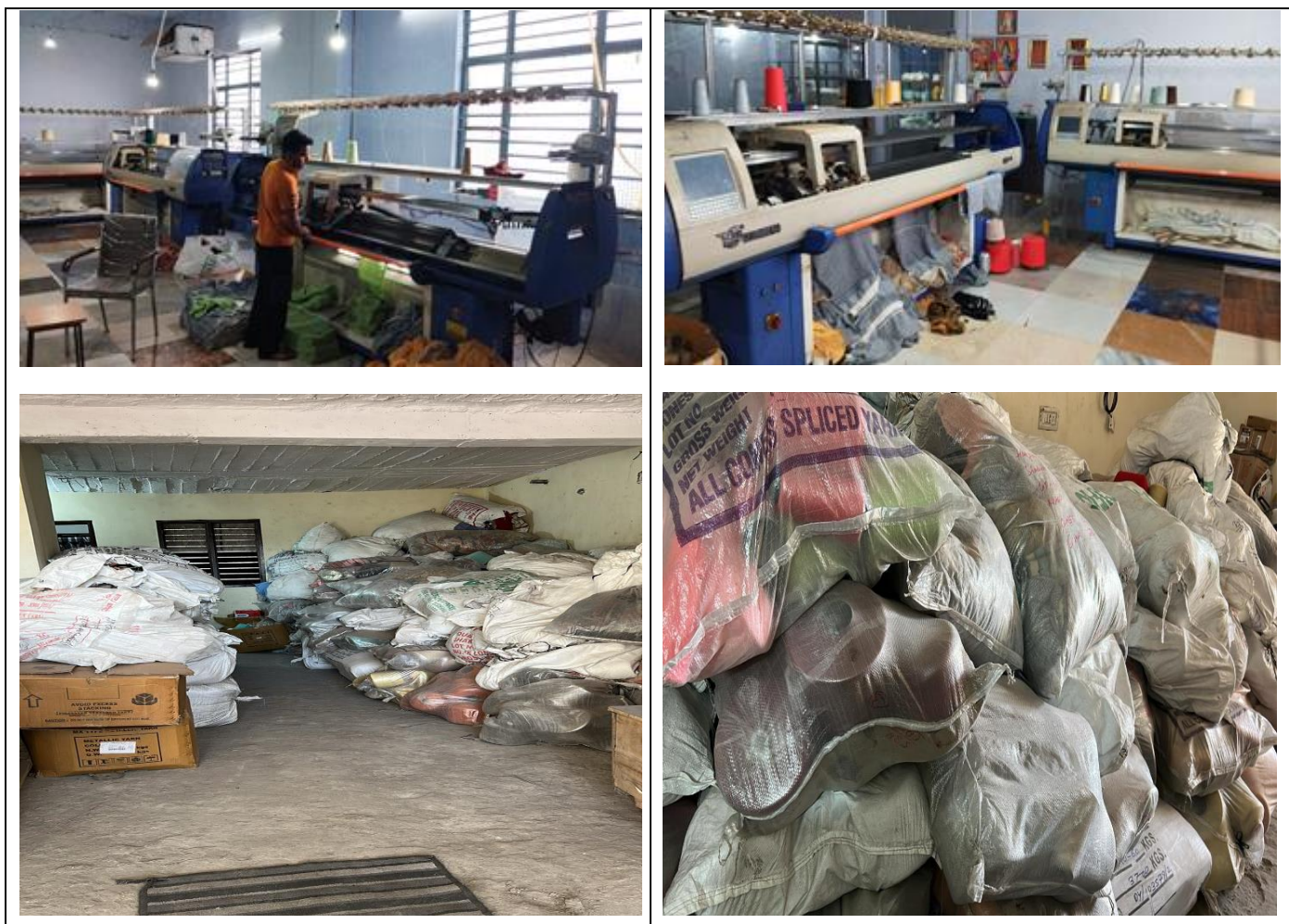
We operate our business from the following locations:

| S. No. | Description | State | Owned by | Location | Status | Validity |
|--------|-----------------------|--------|-----------------------------------|---|---|------------|
| 1 | Registered Office | Delhi | Vinod Malhotra and Dipti Malhotra | #611, 6 th floor, Jaina Tower-II, District Centre, Janakpuri, New Delhi 110058 | Lease Deed dated 05.09.2024 between Avax Apparels and Ornaments Ltd. and the owners of the office space. Size of unit: 481 sq. ft. | 04.08.2025 |
| 2 | Branch Office | Punjab | Harinder pal Singh Sodhi | Bura Gujar Road, Muktsar 152026, Punjab | Leased without any cost | 19.09.2026 |
| 3 | Factory cum Warehouse | Punjab | Surinder Kaur | 2209 G/1, St. No.1, Bholia Colony, Ludhiana 141010, Punjab | Rent Agreement dated 01.12.2024 between Avax Apparels and Ornaments Ltd. and the owner of the premises Size of unit: 2500 sq. ft. | 31.10.2025 |

Our e-commerce portal (<https://blushines.com/>)



Our Factory cum warehouse premises



PLANT AND MACHINERY

As of the date of this Prospectus, the Company has purchased machinery from M/s Saini Exports. Details are as follows:

| S No | Product | Brand | Expected Life* | Machinery Model | Description |
|------|---|------------|----------------|-----------------|--|
| 1 | High Speed Knitting Machine with GSJZ 360, 10G (Intarsia Special 16 Feeder) | Jack | 7 Years | 2021 | A high-speed knitting machine designed for fully fashioned items, equipped with Intarsia special 16 feeder for intricate patterns. |
| 2 | Online 5KWA UPS S.N.-AF 0516 15U 5K 213 | Microtek | 5 Years | 2023 | An online UPS system ensuring uninterrupted power supply for machinery. |
| 3 | Air Compressor Complete | Elgi | 5 Years | 2021 | A complete air compressor setup for machinery operation. |
| 4 | Gen Set 15 KWA with Sound Proof Canopy | Kirloskar | 10 Years | 2021 | A 15 KWA generator set with soundproof canopy for machinery operation. |
| 5 | Commercial A C Indoor & Outdoor 2 | Mitsubishi | 5 Years | 2021 | A commercial air conditioning unit designed for cooling machinery in both indoor and outdoor settings. |
| 6 | Yarn Rewinder | Jack | 7 Years | 2021 | A device used for re-winding yarn and settling threads efficiently. |

| | | | | | |
|----|---|------|---------|------|--|
| 7 | Single Needle Lock Stitching Machine | Jack | 5 Years | 2023 | A stitching machine with a single needle for creating lock stitches. |
| 8 | Double Needle Lock Stitching Machine | Jack | 5 Years | 2023 | A double needle stitching machine that produces two rows of lockstitches simultaneously. |
| 9 | 5 Thread Overlock Machine | Jack | 5 Years | 2023 | An overlock machine with 5 threads, designed to automate the cardigan stitching process. |
| 10 | 4 Thread Overlock Machine | Jack | 5 Years | 2023 | An overlock machine with 4 threads for automatically stitching cardigans. |
| 11 | 4 Thread Overlock and Interlock Machine | Jack | 5 Years | 2023 | A machine that combines 4-thread overlock and interlock stitching, specifically for ladies' cardigans. |
| 12 | 3tf/Lft Sewing Machine | Jack | 5 Years | 2023 | A sewing machine designed for the complete stitching of ladies' cardigans. |
| 13 | 3tf/L Sewing Machine | Jack | 5 Years | 2023 | Another version of the sewing machine, also for completing ladies' cardigan stitching. |

**Based on internal management estimates.*

List of Machinery purchased

| S.NO | NAME OF PRODUCTS | NEW/SECOND HAND/MODEL | PCS | VALUE |
|------------------------|---|-----------------------|-----|------------------|
| MACHINERY | | | | |
| 1 | FULLY FASHION HIGH SPEED KNITTING MACHINE | SECOND HAND/2020 | 5 | 37,85,000 |
| 2 | ONLINE 5KWA UPS | NEW/2023 | 1 | 29,000 |
| 3 | AIR COMPRESSOR COMPLETE | SECOND HAND/2020 | 1 | 39,000 |
| 4 | GENERATOR SET 15KWA WITH SOUND PROOF | SECOND HAND/2020 | 1 | 2,80,000 |
| 5 | COMMERCIAL AIR CONDITIONER INDOOR AND OUTDOOR | NEW/2023 | 1 | 65,000 |
| 6 | YARN REWINDER | SECOND HAND/2020 | 1 | 15,000 |
| 7 | DOUBLE NEEDLE LOCK STICH MACHINE | NEW/2023 | 3 | 6,15,000 |
| MACHINERY PARTS | | | | |
| 1 | 5TO/L | NEW/2023 | 5 | 3,65,000 |
| 2 | 4TO/L | NEW/2023 | 5 | 3,30,000 |
| 3 | 3TF/L | NEW/2023 | 5 | 3,85,000 |
| 4 | 3TF/LFT | NEW/2023 | 5 | 2,26,000 |
| 5 | 4TO/LCT | NEW/2023 | 5 | 2,75,000 |
| Total | | | | 64,09,000 |

CAPACITY UTILIZATION

The Company is yet to install the machineries purchased as on date of Prospectus.

COLLABORATIONS/ TIE-UPS/ JOINT VENTURES

The Company does not have any Collaboration/Tie Ups/ Joint Ventures, as on date of Prospectus.

SUBSIDIARIES/ ASSOCIATE COMPANIES

The Company does not have any subsidiaries or associate companies, as on date of Prospectus.

EXPORT AND EXPORT OBLIGATION

The Company does not have any export sales or export obligations, as on date of this Prospectus.

UTILITIES & INFRASTRUCTURE FACILITIES

Infrastructure Facilities

Our registered office is situated #611, 6th floor, Jaina Tower-II, District Centre, Janakpuri, New Delhi 110058, India and the warehouse is located at 2209 G/1, St. No.1, Bholi Colony, Ludhiana Punjab 141010, India and is well equipped with adequate equipment and other facilities which are required for our business operations. Our e-commerce portal blueshines.com is hosted on cloud servers and does not require physical infrastructure at our location.

Power

Our Company requires power for the normal requirement of the factory and for lighting, Computer systems etc. Adequate power is available which is met through the commercial electric supply by Punjab State Power Corporation Limited.

Water

The Company does not require water facilities required for business purposes. The requirements are fully met for human consumption at the existing premises.

HUMAN RESOURCES

We have a qualified and professional employee base of 7 fulltime employees as on date of this Prospectus. Our majority workforce are skilled workmen. Many of our employees, particularly the senior management, have been working with our Company since inception. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, execution of services within time and quality, we believe human capital is one of the most valuable assets of our Company as their technical know-how and skill sets position us at a competitive advantage over our competitors in providing some of our services.

Job profile wise employee break up as following:

| Job Profile | Number of Employees |
|--------------------------|----------------------------|
| Accounts | 1 |
| Compliance | 1 |
| Information Technology | 1 |
| Office Admin & Quality | 1 |
| Sales, Purchase & Design | 3 |
| Total | 7 |

MARKETING

Mr. Harinderpal Singh Sodhi as Managing Director and Mr. Harish Kumar as Executive Director of the Company, are qualified and experienced in marketing, and together head the overall marketing of our Company's services.

Our management also conducts sales promotion events, which gives us a platform to interact with clients and expand our market recognition. We develop & maintain strong relationships with our clients. Our business is dependent on developing & maintaining strong relationships with the various parties and the clients. We will continue to develop and maintain these relationships and alliances.

We have strong expertise in sourcing quality cloth and silver ornaments for which we are fast becoming known for in the market. The present situation after Russian-Ukraine war, has resulted in market being divided between China and anti-China manufacturers boosting our wholesale trading business.



Sales promotion event organized at Ludhiana, Punjab on November 3, 2022.

BUSINESS STRATEGY

1. Expand our current business relationships

Our goal is to build long-term sustainable business relationships with our customers to generate increasing revenues. We plan to continue to expand the scope and range of products provided to our existing customers by continuing to build our expertise and extending our capabilities. 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 base. Our ability to maintain and improve the products we offer to customers enables us to generate stable revenue and minimize customer complaints. We now focus on guiding the overall experience of our customer which is intended to upgrade the experience of customer to one of much greater engagement and satisfaction.

2. Improving operational efficiencies

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

3. Optimal utilization of resources

Our Company constantly endeavors to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for providing our products which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use. We also intend to continue to build on our inclusive culture to ensure our employees remain engaged and committed to delivering exceptional service.

4. Enhancing existing production and product quality

We believe quality service and products of global standards will be of utmost importance for customer retention and repeat-order flow. We intend to have close interaction with our customers in a bid to strengthen our relationships with them. We train our employees to consistently design and deliver client focused solutions. We believe that our quality products have earned us a goodwill from our customers, which has resulted in repeat services orders from many of them.

5. To build-up a professional organization

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks etc. We have a blend of the experience and the sufficient staff for taking care of our day-to-day operations. We also consult with external agencies on a case-to-case basis on technical and financial aspects of our business. We wish to make it sounder and stronger in times to come

INSURANCE

Insurance policies purchased by our Company:

| S. No. | Name of policy & Coverage | Policy No. | Coverage starts | Coverage ends | Sum insured |
|--------|---|-------------------------|-----------------|---------------|---------------|
| 1 | ICICI Lombard Burglary Insurance Policy (All Kinds Of Garments Cloth Knitted Hosiery And Goods Related To Insured Trade) | 4002/353928008/00/000 | 28.08.2024 | 27.08.2025 | ₹50,00,000/- |
| 2 | ICICI Jeweler's Package Policy Sookshma | 4093/S/353791408/00/000 | 29.08.2024 | 28.08.2025 | ₹30,00,000/- |
| 3 | Icici Lombard Msme Suraksha Kavach (Complete Fire Insurance of (Plant & Machinery & Stocks - All Kinds Of Garments Cloth Knitted Hosiery And Goods Related To Insured Trade)) | 1021/353928005/00/000 | 28.08.2024 | 27.08.2025 | ₹100,00,000/- |

INTELLECTUAL PROPERTY

Our Company has applied for three (3) trademarks, particulars whereof are as under:

| S. No. | Nature of IP | Trade Mark | Class | Status |
|--------|--------------|--------------------------|-------|----------------------|
| 1 | Trade Mark | Blueshine, a Luxury Life | 25 | Registration Applied |

| | | | | |
|----|------------|--------------------------|----|----------------------|
| 2 | Trade Mark | Blueshine, a Luxury Life | 14 | Registration Applied |
| 3 | Trade Mark | Avax | 24 | Registered |
| 4 | Domain | avaxtech.com | - | Registered |
| 5 | Domain | avaxtech.in | - | Registered |
| 6 | Domain | avaxtechnologies.com | - | Registered |
| 7 | Domain | blushines.com | - | Registered |
| 8 | Domain | blushine.co.in | - | Registered |
| 9 | Domain | blushine.in | - | Registered |
| 10 | Domain | avaxapparels.com | - | Registered |

FINANCIAL ACHIEVEMENTS OF THE COMPANY

| Sr. No. | Particulars | Calculation | As at | | | |
|---------|-------------------------------|---|-----------|-----------|-----------|-----------|
| | | | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| 1 | Return on Equity | Restated net income/ Restated shareholder equity | 21.51% | 43.91% | 39.34% | 61.33% |
| 2 | Debt Equity Ratio | Restated total debts/ Restated total | 0.18 | 0.23 | - | 18.14 |
| 3 | Earning per share | Earning available for E equity S shareholder/ Weighted average no. of S share outstanding during the period | 11.39 | 18.06 | 9.07 | 0.94 |
| 4 | Current Ratio | Restated current asset/ Restated current liability | 1.46 | 2.29 | 1.86 | 0.81 |
| 5 | Liquid Ratio | (Total restated current asset- Restated inventory- Restated prepaid expense)/ Restated current liabilities | 1.15 | 2.03 | 1.50 | 0.81 |
| 6 | Return on Capital employed | Restated EBIT/ Restated capital employed | 31.06% | 61.68% | 53.56% | 81.43% |
| 7 | Net Profit to Sales | Restated profit after tax/ Restated sale | 5.81% | 6.26% | 4.72% | -23.56% |
| 8 | Debtors turnover Ratio | Restated credit sales/ Restated average trade receivables | 2.86 | 8.53 | 12.42 | -0.24 |
| 9 | Creditors turnover Ratio | Restated credit purchase/ Restated average trade payables | 0.00 | 20.92 | 16.05 | -0.24 |

OPERATIONAL SEGMENTED REVENUES

| Particulars | Half Year ended 30 Sep 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|------------------|--------------------------------|-------|-------------------------|-------|-------------------------|-------|-------------------------|-------|
| | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % |
| Knitted Cloths | 1499.87 | 99.93 | 2126.18 | 96.38 | 1223.31 | 83.21 | 24.56 | 85.09 |
| Silver Ornaments | 1.06 | 0.07 | 79.80 | 3.62 | 246.89 | 16.79 | 4.32 | 14.91 |

INDEBTEDNESS

For details of indebtedness please refer to “*Statement of Financial Indebtedness*” on page 193 of this Prospectus.

COMPETITION

Whole trading: The wholesale clothing market is typically characterized by a large number of relatively small firms that compete with each other to provide a wide variety of clothing products to retailers. The market is also typically fragmented, with no single company dominating the industry.

Online retail: The market structure of online retail of silver ornaments can be characterized as competitive and fragmented. There are many small and medium-sized companies that sell silver ornaments online, and no single company dominates the industry. These companies typically compete with each other based on factors such as price, product quality, and customer service. In addition, the rise of e-commerce has made it easier for consumers to compare prices and shop around, further increasing competition in the market.

This space has been left blank intentionally.

KEY REGULATIONS AND POLICIES

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

The statements below are based on 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, see the "Government and Other Approvals" beginning on page 212 of this Prospectus.

There may be multiple Rules, Regulations, Schemes, and Byelaws under the applicable Acts as well as other subordinate pieces of legislation which may also apply to the company.

Since the company is engaged in a business a larger part of which is not labour intensive and a large number of its business is digital/ online, it has a very small workforce of 8 employees. Consequently, significant labour laws including the Minimum Wages Act, 1948, Payment of Wages Act, 1936, Payment of Gratuity Act, 1972, Equal Remuneration Act, 1976, Payment of Bonus Act, 1965, Contract Labour (Regulation and Abolition) Act, 1970 (list not exhaustive) do not apply to the company for not exceeding the 'threshold'. However, with the future expansion of its business, relevant labour laws may begin to govern the company.

APPLICABLE LAWS AND RESPECTIVE PREAMBLES

INDUSTRIAL LAWS

1. **The Micro, Small and Medium Enterprises Development Act, 2006:** An Act to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto;

CORPORATE AND COMMERCIAL LAWS

2. **Bureau of Indian Standards Act, 2016:** An Act to provide for the establishment of a national standards body for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services and for matters connected therewith or incidental thereto.
3. **The Information Technology Act, 2000:** An Act to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "electronic commerce", which involve the use of alternatives to paper-based methods of communication and storage of information, to facilitate electronic filing of documents with the Government agencies and further to amend the Indian Penal Code, the Indian Evidence Act, 1872, the Banker's Books Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto.
4. **Personal Data Protection Bill, 2019:** The PDP Bill proposes a legal framework governing the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the Indian Government, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law.
5. **The Companies Act, 2013:** An Act to consolidate and amend the law relating to companies. Portions of the Companies Act, 1956 (now repealed) may also apply.
6. **Foreign Exchange Management Act, 1999:** An Act to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India.
7. **The Competition Act, 2002:** An Act to provide, keeping in view of the economic development of the country, for the establishment of a Commission to prevent practices having adverse effect on competition, to promote

and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India, and for matters connected therewith or incidental thereto.

8. **The Indian Contract Act, 1872:** The general law of contract is based on the conception, which the parties have, by an agreement, created legal rights and obligations, which are purely personal in their nature and are only enforceable by action against the party in default.
9. **The Indian Stamp Act, 1899:** An Act to Consolidate and amend the law relating to Stamps.
10. **The Customs Act, 1962:** An Act to consolidate and amend the law relating to Customs.
11. **Foreign Trade (Development and Regulation) Act, 1992:** An Act to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto.
12. **The Prevention of Money Laundering Act, 2002:** An Act to prevent money-laundering and to provide for confiscation of property derived from, or involved in, money-laundering and for matters connected therewith or incidental thereto.
13. **The Companies (Donations to National Fund) Act, 1951:** An Act to enable companies to make donations to National funds.
14. **Insolvency And Bankruptcy Code, 2016:** An Act to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues and to establish an Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental thereto.
15. **Commercial Courts Act, 2015:** An Act to provide for the constitution of Commercial Courts, Commercial Appellate Courts, Commercial Division and Commercial Appellate Division in the High Courts for adjudicating commercial disputes of specified value and matters connected therewith or incidental thereto.
16. **Negotiable Instruments Act, 1881:** An Act to define and amend the law relating to Promissory Notes, Bills of Exchange, and Cheques.
17. **The Chartered Accountants Act, 1949:** An Act to make provision for the regulation and development of the profession of chartered accountants.
18. **The Cost Accountants Act, 1959:** An Act to make provision for the regulation and development of the profession of cost accountants.
19. **The Company Secretaries Act, 1980:** An Act to make provision for the regulation and development of the profession of Company Secretaries.
20. **Legal Metrology Act, 2009:** An Act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number and for matters connected therewith or incidental thereto.
21. **The Indian Registration Act, 1908:** Indian Registration Act is an act to consolidate the enactments relating to the registration of documents. Registration means recording of the contents of the document.

LABOUR AND EMPLOYMENT LAWS

22. **Payment of Wages Act, 1936:** An Act to regulate the payment of wages of certain classes to employed persons.
23. **Equal Remuneration Act, 1976:** An Act to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto.
24. **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** An Act to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto.
25. **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979:** An Act to regulate the employment of inter-State migrant workmen and to provide for their conditions of service and for matters connected therewith.
26. **The Apprentices Act, 1961:** An Act to provide for the regulation and control of training of apprentices and for matters connected therewith.
27. **Public Liability Insurance Act, 1991:** An Act to provide for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto.

INTELLECTUAL PROPERTY LAWS

28. **Trademarks Act, 1999:** An Act to amend and consolidate the law relating to trade marks, to provide for registration and better protection of trade marks for goods and services and for the prevention of the use of fraudulent marks.
29. **Copyrights Act, 1957:** An Act to amend and consolidate the law relating to copyright.
30. **Patents Act, 1970:** An Act to amend and consolidate the law relating to patents.
31. **Design Act, 2000:** An Act to consolidate and amend the law relating to protection of designs.

PROPERTY RELATED LAWS

32. **Transfer Of Property Act, 1882:** An Act to amend the law relating to the Transfer of Property by act of Parties.

ENVIRONMENT LAWS

41. **Environment Protection Act, 1986:** An Act to provide for the protection and improvement of environment and for matters connected therewith.
42. **Air (Prevention of Pollution Control Act) 1981:** An Act to provide for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes, of Boards, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith.
43. **The Water (Prevention and Control of Pollution) Act, 1974:** An Act to provide for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith.
44. **Public Liability Insurance Act, 1991:** An act to provide for public liability insurance for the purpose of providing immediate relief to the persons affected by the accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto.

TAX LAWS

45. **Income-Tax Act, 1961:** An Act to consolidate and amend the law relating to income-tax and super-tax.
46. **Finance Act, 2022:** An Act to give effect to the financial proposals of the Central Government for the financial year 2022-2023.
47. **Goods and Services Tax Act, 2017:** An Act to provide for compensation to the States for the loss of revenue arising on account of implementation of the goods and services tax in pursuance of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016.

OTHER ACTS

48. **Consumer Protection Act, 2019:** An Act to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and settlement of consumers' disputes and for matters connected therewith or incidental thereto.
49. **Insurance Act, 1938:** An Act to consolidate and amend the law relating to the business of insurance.
50. **The Indian Trust Act, 1882:** An Act to define and amend the law relating to Private Trusts and Trustees.

The above-mentioned legislations are applicable to the company out of which the key Acts and Regulations which govern the company are laws relating to the company and commercial laws, and tax laws. The main laws are the Companies Act 2013, Foreign Trade Development and Regulation act, Foreign Exchange Management Act, Stamp Act, Registration Act, The Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act), The Information Technology ("IT") Act, 2000, The Customs Act 1962, which impact greatly the company's operation and business. The above list however may not be exhaustive.

Avax has received the necessary consents, licenses, permissions and approvals from the Central and State Governments and various Governmental Agencies/ Regulatory Authorities/ Certification Bodies required for its present business or to continue and expand its business activities.

It must, however, be distinctly understood that in granting the above approvals, licenses etc. the Government of India and other certifying or licensing authorities do not take any responsibility for the financial soundness of the entity (Avax in the present case) or the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The company i.e. Avax is carrying on its existing business/ commercial activities in terms of its object clauses as contained in its Memorandum and Articles of Association.

This space has been left blank intentionally.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was originally incorporated on June 2, 2005 as a private limited Company under the name and style of "Ethnic Designers Private Limited" under the provisions of Companies Act, 1956 with the Registrar of Companies, NCT of Delhi & Haryana vide CIN U51311DL2005PTC137127. Pursuant to shareholders' resolution passed at Extra Ordinary General Meeting held on September 06 September, 2021 the Object of the Company was changed vide a fresh Certificate of Incorporation dated October 4, 2021 issued by Registrar of Companies, NCT of Delhi & Haryana vide CIN U51100DL2005PTC137127. Pursuant to shareholders' resolution passed at Extra Ordinary General Meeting held on September 6, 2021 the name of the Company was changed to Avax Soft Technologies Private Limited vide a fresh Certificate of Incorporation dated October 11, 2021 issued by Registrar of Companies, NCT of Delhi & Haryana. Pursuant to shareholders' resolution passed at Extra Ordinary General Meeting held on November 09, 2022 our Company was converted into a Public Limited Company and the name of the Company was changed to Avax Soft Technologies Limited vide a fresh Certificate of Incorporation dated November 18, 2022 issued by Registrar of Companies, NCT of Delhi & Haryana vide CIN U5110DL2005PLC137127. Further pursuant to shareholders' resolution passed at Extra Ordinary General Meeting held on May 08, 2023, Object of the Company was changed vide a fresh Certificate of Incorporation dated May 15, 2023 and the name of the Company was changed to Avax Apparels and Ornaments Limited vide a fresh Certificate of Incorporation dated June 15, 2023 issued by Registrar of Companies, NCT of Delhi & Haryana vide CIN U14101DL2005PLC137127.

Our Company was originally promoted by Mr. Prakash Agarwal & Mr. Sailesh Kumar Gupta who were the initial subscribers to the Company's Memorandum and Articles of Association. Mr. Harinderpal Singh Sodhi and Mr. Harish Kumar are the present promoters of our Company.

Our Company was incorporated in 2nd day of June 2005 into the business of:

- To stitch, buy, sell, export, import and deal in any manner all kinds of clothes, readymade garments, fashion accessories, fabrics and other allied products.*

CHANGES IN OUR REGISTERED OFFICE

| S. No. | Particulars of Registered Office | Date of Event |
|--------|--|---------------|
| 1 | 6926, Jaipuria Mills, Clock Tower, Subzi Mandi, Delhi 110007 | 02/06/2005 |
| 2 | 611, 6th Floor, Jaina Tower II, Distt Center, Janak Puri, New Delhi 110058 | 05/09/2022 |

MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

- To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of goods on retail as well as on wholesale basis in India or elsewhere.*
- To carry on the business of manufacturing, producing, processing, importing, exporting, buying, selling, distributing, and dealing in all kinds of textiles, including knitted cloth textiles, and readymade garments of all kinds, as well as other similar items that complement clothing and apparel products.*

AMENDMENTS TO THE MOA AND AOA OF OUR COMPANY SINCE INCORPORATION:

Since incorporation, there has been following amendment made to the MoA and AoA of our Company:

| S. No. | Particulars | Date of Meeting |
|----------------------------------|--|---|
| MEMORANDUM OF ASSOCIATION | | |
| 1. | <ul style="list-style-type: none"> Adoption of the Memorandum of Association as per new Companies Act 2013 | September 13, 2014 |
| 2. | <ul style="list-style-type: none"> Change in Name Clause Amended from Ethnic Designers Private Limited to Avax Soft Technologies Private Limited Change in Name Clause Amended from Avax Soft Technologies Limited to Avax Apparels and Ornaments Limited | September 06, 2021 May 08, 2023 |
| 3. | <ul style="list-style-type: none"> Change in Object Clause | September 06, 2021 & May 08, 2023 |
| 4. | <ul style="list-style-type: none"> Change in Capital Clause Initial Authorized Capital ₹100000 Sub-Division of Authorised Capital Increase in Authorized Capital from ₹1,00,000/- to ₹2,00,000/- Consolidation of Authorised Capital Increase in Authorized Capital from INR ₹ 2,00,000 to ₹2,00,00,000 | June 02, 2005 March 22, 2010 March 22, 2010 May 11, 2022 May 11, 2022 |
| 5. | <ul style="list-style-type: none"> Conversion from Private to Public Company | November 09, 2022 |
| ARTICLES OF ASSOCIATION | | |
| 1. | <ul style="list-style-type: none"> Adoption of the Article of Association as per new Companies Act 2013 | September 13, 2014 |
| 2. | <ul style="list-style-type: none"> Change in Articles of Association | September 06, 2021 |
| 3. | <ul style="list-style-type: none"> Conversion from Private to Public Company | November 09, 2022 |
| 4. | <ul style="list-style-type: none"> Adoption of the Articles of Association as per SEBI ICDR/LODR requirements | December 30, 2022 |
| 5. | <ul style="list-style-type: none"> Change in Name Clause | May 08, 2023 |

KEY EVENTS AND MILESTONES:

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

| Year | Particulars |
|------|---|
| 2005 | Incorporation of our Company. |
| 2021 | Name changed to Avax Soft Technologies Private Limited |
| 2021 | Change of objects and start of wholesale trading business |

| Year | Particulars |
|-------------|--|
| 2022 | Foray into silver ornaments business and successful launch of our online retail portal, blueshines.com |
| 2022 | Conversion of our Company from private to public and name changed to Avax Soft Technologies Limited |
| 2023 | Company name changed to Avax Apparels and Ornaments Limited. |
| 2023 | The Object clause has been suitably amended to include business of manufacturing, producing, processing, importing, exporting, buying, selling, distributing, and dealing in all kinds of textiles, including knitted cloth textiles, and readymade garments of all kinds, as well as other similar items that complement clothing and apparel products. |
| 2024 | The company has purchased machineries for producing knitted cloth. |

OTHER DETAILS ABOUT OUR COMPANY

For details of our Company’s activities, products, growth, technology, marketing strategy, competition and our customers, please refer sections titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis for Issue Price*” on pages 88, 195 and 66 respectively of this Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on pages 112 and 47 of this Prospectus respectively.

ACQUISITION OF BUSINESS/UNDERTAKINGS & AMALGAMATION

Except as disclose in this Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

HOLDING COMPANY

As on the date of this Prospectus, our Company is not a subsidiary of any company.

SUBSIDIARY OF OUR COMPANY

As on the date of this Prospectus, there are no subsidiaries of our Company.

CAPITAL RAISING (DEBT / EQUITY)

For details in relation to our capital raising activities through equity, please refer to “*Capital Structure*” beginning on page 47 of this Prospectus. For details of our Company’s debt facilities, please refer section “*Financial Information*” on page 137 of this Prospectus.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

There has been no time / cost overrun in setting up projects by our Company.

INJUNCTION OR RESTRAINING ORDER

There are no injunctions/ restraining orders that have been passed against the Company.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS AND CONVERSION OF LOANS INTO EQUITY SHARES

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of this Prospectus. Furthermore, except as disclosed in “*Capital Structure*” beginning on Page 47 of this Prospectus, none of the Company's loans have been converted into equity in the past.

LOCK-OUT OR STRIKES

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this Prospectus, our employees are not unionized.

SHAREHOLDERS OF OUR COMPANY

Our Company has Seven (7) shareholders as on the date of this Prospectus. For further details on the shareholding pattern of our Company, please refer to “*Capital Structure*” beginning on page 47 of this Prospectus.

CHANGES IN THE MANAGEMENT

For details of change in Management, please see “*Our Management*” on page 112 of this Prospectus.

CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS

There has been no change in the business activities of our Company during last five (5) years from the date of this Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in “*Management's Discussion and Analysis of Financial Conditions & Results of Operations*” beginning on page 195 of this Prospectus.

SHAREHOLDERS AGREEMENTS

As on the date of this Prospectus, there are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

COLLABORATION AGREEMENTS

As on the date of this Prospectus, our Company is not a party to any collaboration agreements.

MATERIAL AGREEMENT

Our Company has not entered into any material agreements other than the agreements entered into by it in ordinary course of business or as disclosed in ‘*Material Contracts and Documents for Inspection*’ on page 311 of this Prospectus.

NON-COMPETE AGREEMENT

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Prospectus.

JOINT VENTURE AGREEMENT

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

STRATEGIC PARTNERS

Except as mentioned in this Prospectus, Our Company does not have any strategic partners as on the date of this Prospectus.

FINANCIAL PARTNERS

Our Company does not have any financial partners as on the date of this Prospectus.

CORPORATE PROFILE OF OUR COMPANY

For details on the description of our Company's activities, the growth of our Company, please see "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" and "***Basis of Issue Price***" on pages 88, 195 and 66 of this Prospectus.

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OUR MANAGEMENT

BOARD OF DIRECTORS

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Prospectus, our Board consists of 6 (Six) Directors, out of which 3 (Three) are Executive Directors and 3 (Three) are Non-Executive, among which 3 (Three) are Independent and 1 (One) is a Woman.

| S. No. | Name of Director | DIN | Designation | Date of Appointment at Current Designation |
|--------|-----------------------------|----------|------------------------------------|--|
| 1 | Mrs. Deepika | 08730368 | Executive (Whole-Time) Director | 30.12.2022 |
| 2 | Mr. Harinderpal Singh Sodhi | 09283654 | Managing Director | 07.11.2022 and subsequently on 31 st October 2023 |
| 3 | Mr. Harish Kumar | 09283531 | Executive (Whole-Time) Director | 30.12.2022 |
| 4 | Mr. Gurvinder Singh Vohra | 09783549 | Non-Executive Independent Director | 09.11.2022 |
| 5 | Mr. Amitabh Agrawal | 00124966 | Non-Executive Independent Director | 30.12.2022 |
| 6 | Mr. Pradeep Srivastava | 08706824 | Non-Executive Independent Director | 30.12.2022 |

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Prospectus:

| S.No. | Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term | Age | Other Directorship |
|-------|---|-----|------------------------------|
| 1 | <p>Mr. Harinderpal Singh Sodhi</p> <p><i>Designation:</i> Managing Director</p> <p><i>Address:</i> 405, Street No. 1-6, Gandhi Nagar, Muktsar, Punjab 152026</p> <p><i>Date of Birth:</i> November 22, 1990</p> <p><i>Qualification:</i> Bachelors of Arts in 2011 from Shridhar University, Pilani, Rajasthan.</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term :</i> For a period of 3 years</p> <p>Date of First Appointment: August 16, 2021</p> <p><i>Date of Appointment as MD:</i> November 07, 2022 and subsequently on 31st October 2023</p> | 33 | Avax Industries Private Ltd. |

| | | | |
|---|---|----|---|
| | DIN: 09283654 | | |
| 2 | <p>Mr. Harish Kumar</p> <p>Designation: Executive (Whole-Time) Director</p> <p>Address: Street No. 9, Dashmesh Nagar, Bawa colony, Muktsar, Punjab 152026</p> <p>Date of Birth: May 10, 1989</p> <p>Qualification: Bachelors of Arts in 2011 from Punjab University, Chandigarh.</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: For a period of 3 years from December 30,2022</p> <p>Date of First Appointment: August 16, 2021</p> <p>Date of Appointment as WTD: December 30, 2022</p> <p>DIN: 09283531</p> | 35 | NIL |
| 3 | <p>Mrs. Deepika</p> <p>Designation: Executive (Whole-Time) Director</p> <p>Address: C 465, Top Floor, Saraswati Vihar, New Delhi 110034</p> <p>Date of Birth: August 10, 1990</p> <p>Qualification: B. Tech in computer science in 2012 from Lovely Professional University, Jalandhar.</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: For a period of 3 years from December 30,2022</p> <p>Date of First Appointment: May 28, 2022</p> <p>Date of Appointment as WTD: December 30, 2022</p> <p>DIN: 08730368</p> | 34 | NIL |
| 4 | <p>Mr. Amitabh Agrawal</p> <p>Designation: Non-Executive Independent Director</p> | 49 | <ol style="list-style-type: none"> 1. Siddhika Coatings Limited 2. Sir Bio Tech India Private Limited |

| | | | |
|---|---|----|--|
| | <p>Address: T-10, Flat No-203, Parsvnath Regalia, Sahibabad, Ghaziabad, Uttar Pradesh 201005</p> <p>Date of Birth: May 11, 1975</p> <p>Qualification: Company Secretary</p> <p>Occupation: Private Service</p> <p>Nationality: Indian</p> <p>Term: For a period of 5 years from December 30,2022</p> <p>DIN: 00124966</p> | | <ol style="list-style-type: none"> 3. Shreesri Buildtech Private Limited 4. Gpj Buildwell Private Limited 5. Life Style Build Tech Private Limited 6. J And R Home Developers Private Limited 7. Kedia Projects Private Limited 8. Aakarshan Buildwell Private Limited 9. Eternity Township Private Limited 10. Goodluck Housing And Promoters Private Limited 11. Shree Maa Mercantiles Private Limited 12. New Wave Dwellers Private Limited 13. Sunrays Buildwell Private Limited 14. Aadhunik Infra-Projects Private Limited 15. Creative Infra-Con Private Limited 16. Target Synergy Services Private Limited 17. Trinity Land Base Private Limited 18. Gharonda Buildtech Private Limited 19. Shubhankar Buildwell Private Limited |
| 5 | <p>Mr. Gurvinder Singh Vohra</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: H.No. 1096, Sector 39, Urban Estate, Chandigarh Road, Ludhiana, Punjab 141010</p> <p>Date of Birth: May 21, 1961</p> <p>Qualification: Higher Secondary Certificate</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: For a period of 5 years from November 9, 2022</p> <p>DIN: 09783549</p> | 63 | NA |
| 6 | <p>Mr. Pradeep Srivastava</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: 71 Balmukand Khand Giri Nagar, Near Kalkaji Bus Depo Kalkaji, South Delhi Delhi 110019</p> | 41 | NA |

| | |
|--|--|
| <p>Date of Birth: August 11, 1983</p> <p>Qualification: L.L.B. from Chaudhary Charan Singh University, Meerut</p> <p>Occupation: Private Service</p> <p>Nationality: Indian</p> <p>Term: For a period of 5 years from December 30, 2022</p> <p>DIN: 08706824</p> | |
|--|--|

BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY

Mr. Harinderpal Singh Sodhi: He is the Managing Director of the Company, appointed on November 7, 2022 and subsequently reappointed for 3 years on 31st October 2023. He holds a Bachelor's degree in Arts from Shridhar University, Pilani, Rajasthan and has 8 years of experience as a business manager.

Mr. Harish Kumar: He is an Executive (Whole-Time) Director of the Company, appointed on December 30, 2022. He holds a Bachelor's degree in Arts from Punjab University, Chandigarh and has 9 years of experience in wholesale trading.

Mrs. Deepika: She is an Executive (Whole-Time) Director of the Company, appointed on December 30, 2022. She holds a B.Tech degree in Computer Science from Lovely Professional University, Jalandhar and has 5 years of experience as an IT Consultant.

Mr. Amitabh Agrawal: He is the Non-Executive Independent Director of the Company, appointed on December 30, 2022. He is a Company Secretary with over 17 years of post-qualification experience in handling listing compliances, secretarial compliances, corporate restructuring and fund-raising issues, annual filing work, drafting of petitions, resolutions, minutes, agreements, and agendas.

Mr. Gurvinder Singh Vohra: He is the Non-Executive Independent Director of the Company, appointed on November 9, 2022. He has been an agent for the Life Insurance Corporation of India.

Mr. Pradeep Srivastava: He is the Non-Executive Independent Director of the Company, appointed on December 30, 2022. He holds a B.Sc. and L.L.B. degree and has 14 years of experience in law and secretarial compliances.

Note:

- None of the above-mentioned Directors are on the RBI list of wilful defaulters as on the date of this Prospectus.*
- None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.*
- None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.*

Family relationship between directors

None of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:

Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the stock exchanges and reasons for suspension

None of our Directors is / was a Director in any listed company during the last five years before the date of filing of this Prospectus, whose shares have been / were suspended from being traded on the any stock exchange.

Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from any stock exchange.

Details of arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the Directors were selected as a director or member of senior management.

There are no arrangements or understandings with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a director or member of the senior management.

TERMS AND CONDITIONS OF EMPLOYMENT OF THE DIRECTORS

i. Executive Directors

| | |
|--|--|
| Name | Mr. Harinderpal Singh Sodhi |
| Designation | Managing Director |
| Period | For a period of 3 years |
| Date of approval of shareholder | NA |
| Remuneration (Previous Full F.Y.) | ₹ 5.40 Lakhs |
| Perquisite | Re-imburement of travelling, lodging, boarding expenses, all cost and other charges incurred by him in the discharge and execution of his duties as Managing Director. |

| | |
|--|---|
| Name | Mr. Harish Kumar |
| Designation | Executive (Whole-Time) Director |
| Period | For a period of 3 years |
| Date of approval of shareholder | December 30, 2022 |
| Remuneration (Previous Full F.Y.) | ₹ 5.40 Lakhs |
| Perquisite | Re-imburement of travelling, lodging, boarding expenses, all cost and other charges incurred by him in the discharge and execution of his duties as Executive Director. |

| | |
|--|---|
| Name | Mrs. Deepika |
| Designation | Executive (Whole-Time) Director |
| Period | For a period of 3 years |
| Date of approval of shareholder | December 30, 2022 |
| Remuneration (Previous Full F.Y.) | ₹ 4.50 Lakhs |
| Perquisite | Re-imburement of travelling, lodging, boarding expenses, all cost and other charges incurred by her in the discharge and execution of her duties as Executive Director. |

ii. **Non-Executive Directors**

Non-Executive Non-Independent Directors and Independent Directors are not entitled to any remuneration except sitting fees for attending meetings of the Board, or of any committee of the Board.

| | |
|--|---|
| Name | Mr. Amitabh Agrawal |
| Designation | Non-Executive Independent Director |
| Period | For a period of 5 years from December 30, 2022 |
| Date of approval of shareholder | December 30, 2022 |
| Perquisite | Re-imburement of travelling, lodging, boarding expenses, all cost and other charges incurred by him in the discharge and execution of his duties as Non-Executive Non-Independent Director. |

| | |
|--|---|
| Name | Mr. Gurvinder Singh Vohra |
| Designation | Non-Executive Independent Director |
| Period | For a period of 5 years from November 9, 2022 |
| Date of approval of shareholder | November 9, 2022 |
| Perquisite | Re-imburement of travelling, lodging, boarding expenses, all cost and other charges incurred by him in the discharge and execution of his duties as Non-Executive Independent Director. |

| | |
|--|---|
| Name | Mr. Pradeep Srivastava |
| Designation | Non-Executive Independent Director |
| Period | For a period of 5 years from December 30, 2022 |
| Date of approval of shareholder | December 30, 2022 |
| Perquisite | Re-imburement of travelling, lodging, boarding expenses, all cost and other charges incurred by him in the discharge and execution of his duties as Non-Executive Independent Director. |

Note: No portion of the compensation as mentioned above was paid pursuant to a bonus or profit-sharing plan.

SHAREHOLDING OF DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a director is not required to hold any shares in our Company to qualify him for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Prospectus:

| S.No. | Name of the Directors | No. of Equity Shares held | % of pre-issue paid-up Equity Share capital in our Company |
|--------------|------------------------------|----------------------------------|---|
| 1. | Mr. Harinderpal Singh Sodhi | 2,18,084 | 28.50% |
| 2. | Mr. Harish Kumar | 2,18,084 | 28.50% |
| 3. | Mrs. Deepika | 88,990 | 11.63% |

INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and promoters, pursuant to this Issue. All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

Interest in promotion of Our Company

Except Promoters, none of our Directors have any interest in the promotion of our Company.

Interest in the property of Our Company

Our Directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Prospectus. Our Promoters also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

Interest in the business of Our Company

Save and except as stated otherwise in “***Related Party Transaction***” beginning on page number 135 of this Prospectus, our Directors do not have any other interests in our Company as on the date of this Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

DETAILS OF SERVICE CONTRACTS

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as MD/WTD and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company.

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

BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS

There is no bonus or profit-sharing plan for the Directors of our Company.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS

No Director has received or is entitled to any contingent or deferred compensation.

OTHER INDIRECT INTEREST

Except as stated in “*Financial Information*” beginning on page 137 of this Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

BORROWING POWER OF THE BOARD

In terms of the special resolution passed at an Extra-Ordinary General Meeting of our Company held on December 30, 2022 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, consent of members of the Company has been accorded to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and free reserve, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of ₹5.00 Crores (Rupees Five Crores Only).

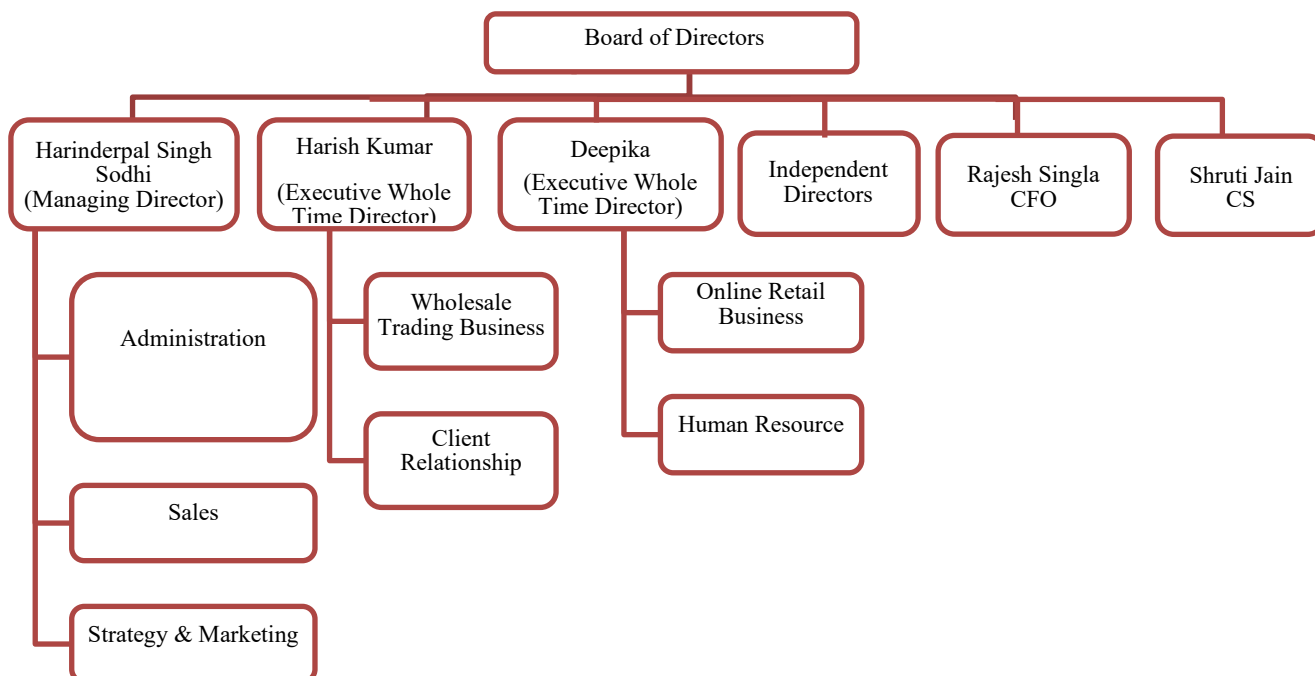
CHANGES IN THE BOARD FOR THE LAST THREE YEARS

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

| Name of Director | Nature of change | Date of appointment/ cessation | Date of regularisation/ redesignation |
|-------------------------|------------------------------|-----------------------------------|---|
| Amandeep Singh | Appointment / Regularisation | August 16, 2021 | September 21, 2021 |
| Amritpal Singh Gill | Appointment / Regularisation | August 16, 2021 | September 21, 2021 |
| Harish Kumar | Appointment/ Redesignation | August 16, 2021 | December 30, 2022 |
| Harinderpal Singh Sodhi | Appointment/ Redesignation | August 16, 2021 | October 31, 2023 |
| Ajay Kumar Jain | Cessation | September 27, 2021 | - |
| Vijay Mishra | Cessation | September 27, 2021 | - |
| Amandeep Singh | Cessation | May 28, 2022 | - |
| Amritpal Singh Gill | Cessation | May 28, 2022 | - |
| Deepika | Appointment/ Redesignation | May 28, 2022 | December 30, 2022 |
| Baljinder Singh | Appointment/ Regularisation | November 07, 2022 | November 09, 2022 |
| Gurvinder Singh Vohra | Appointment/ Regularisation | November 07, 2022 | November 09, 2022 |
| Rajinder Singh | Appointment/ Regularisation | November 07, 2022 | November 09, 2022 |
| Baljinder Singh | Cessation | December 20, 2022 | - |
| Rajinder Singh | Cessation | December 20, 2022 | - |
| Amitabh Agrawal | Appointment/ Regularisation | December 23, 2022 | December 30, 2022 |
| Pradeep Srivastava | Appointment/ Regularisation | December 23, 2022 | December 30, 2022 |

Management Organization Structure

The Management Organization Structure of the company is depicted from the following chart;



CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges. As on date of this Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including a woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

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

AUDIT COMMITTEE

The Audit Committee was constituted *vide* Board resolution dated December 23, 2022 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Prospectus, the Audit Committee comprises of:

| Name of the Director | Status in the Committee | Nature of Directorship |
|-----------------------|-------------------------|---------------------------------|
| Amitabh Agrawal | Chairperson | Independent Director |
| Gurvinder Singh Vohra | Member | Independent Director |
| Harish Kumar | Member | Executive (Whole Time) Director |

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

1. Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report..
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of the audit process.
8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors on any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
20. Carrying out any other function as it mentioned in the terms of reference of the Audit Committee.

The Audit Committee enjoys following powers:

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such executives as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on the occasions, it may also meet without the presence of any executives of the Issuer. The finance director, head of the internal audit committee.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee shall meet atleast four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be minimum of two independent members present

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall cease to be a member of this committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on December 23, 2022. The Committee was reconstituted on 6th October 2023. As on the date of this Prospectus the Nomination and Remuneration Committee comprises of:

| Name of the Director | Status in the Committee | Nature of Directorship |
|-----------------------|-------------------------|------------------------|
| Amitabh Agrawal | Chairperson | Independent Director |
| Gurvinder Singh Vohra | Member | Independent Director |
| Pradeep Srivastava | Member | Independent Director |

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

The role of the Nomination and Remuneration Committee includes, but not restricted to, the following:

1. Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of the Board of Directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria, laid down, and recommend to the Board of Directors their appointment and removal.

5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such a committee.

The Meetings of the Committee shall be held at such regular intervals as may be required. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, including at least one independent director.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall be ceased to be a member of this committee

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was formed by the Board of Directors, at the meeting held on December 23, 2022. As on the date of this Prospectus the Stakeholders' Relationship Committee comprises of:

| Name of the Director | Status in the Committee | Nature of Directorship |
|-----------------------------|--------------------------------|---------------------------------|
| Pradeep Srivastava | Chairman | Independent Director |
| Gurvinder Singh Vohra | Member | Independent Director |
| Deepika | Member | Executive (Whole Time) Director |

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

This Committee supervises all grievances of Shareholders and Investors and its terms of reference include the following:

1. Allotment and listing of our shares in future
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Stakeholders Relationship is required to meet at least once in a year.

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall cease to be a member of this committee.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of BSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME platform of BSE. The Board of Directors at their meeting held on December 23, 2022 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

KEY MANAGERIAL PERSONNEL

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

| | |
|---|---|
| Name | : Mr Harinderpal Singh Sodhi |
| Designation | : Managing Director |
| Date of Appointment | : November 07, 2022 |
| Term of Office | : 3 Years |
| Expiration of Term | : October 31, 2026 |
| Qualification | : Graduate |
| Previous Employment | : Guru Nanak Kissan Sewa Kender |
| Overall Experience | : He is Promoter and Managing Director of our Company. He completed Bachelor's in Art in 2011 from Shridhar University, Pilani, Rajasthan. He has an experience of nearly 8 years working as a Business Manager. He is an expert in business administration, sales and marketing. |
| Remuneration paid in Apr – Sep 2024) | : ₹ 4,32,000 /- |

| | |
|---|--|
| Name | : Mr Harish Kumar |
| Designation | : Executive (Whole-Time) Director |
| Date of Appointment | : December 30, 2022 |
| Term of Office | : 3 Years |
| Expiration of Term | : December 29, 2025 |
| Qualification | : Graduate |
| Previous Employment | : M/s Kanika Traders |
| Overall Experience | : He is an Executive (Whole-Time) Director of the Company, appointed on August 16, 2022. He holds a Bachelor's degree in Arts from Punjab University, Chandigarh and has 9 years of experience in wholesale trading. |
| Remuneration paid in Apr – Sep 2024) | : ₹ 4,32,000 /- |

| | |
|----------------------------|-----------------------------------|
| Name | : Mrs Deepika |
| Designation | : Executive (Whole-Time) Director |
| Date of Appointment | : December 30, 2022 |
| Term of Office | : 3 Years |

| | |
|---|--|
| Expiration of Term | December 29, 2025 |
| Qualification | : Graduate |
| Previous Employment | : Sebiz Infotech Private Limited |
| Overall Experience | : She is an Executive (Whole-Time) Director of the Company, appointed on May 28, 2022. She holds a B.Tech degree in Computer Science from Lovely Professional University, Jalandhar and has 5 years of experience as an IT Consultant. |
| Remuneration paid in Apr – Sep 2024) | : ₹3,60,000 /- |

| | |
|----------------------------|---|
| Name | : Mr. Rajesh Singla |
| Designation | : Chief Financial Officer |
| Date of Appointment | : November 7, 2022 |
| Qualification | : Post-Graduate |
| Previous Employment | : Simplex Finvest Private Limited |
| Overall Experience | : He is a MBA post- graduate and has been associated with our company. He is responsible for the work relating to the Accounting, Finance, Taxation and Banking field of our Company. |

| | |
|---|---|
| Name | : Mrs. Shruti Jain |
| Designation | : Company Secretary & Compliance Officer |
| Date of Appointment | : November 7, 2022 |
| Qualification | : Company Secretary |
| Previous Employment | : Central Registration Centre (CRC), Ministry of Corporate Affairs |
| Overall Experience | : She is a qualified Company Secretary with 5 years and 5 months of experience. |
| Remuneration paid in Apr – Sep 2024) | : ₹2,40,000 /- |

Notes:

- 1) All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- 2) There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel was selected as a director or member of senior management.
- 3) None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. However, our Company has appointed certain Key Managerial Personnel for which our company has not executed any formal service contracts; although they abide by their terms of appointments.

FAMILY RELATIONSHIP BETWEEN KMP

None of the KMP of the Company are related to each other as per section 2(77) of the Companies Act, 2013.

BONUS AND/ OR PROFIT-SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

As per the Articles of Association of our Company, a KMP is not required to hold any shares in our Company to qualify him for the office of the KMP of our Company. The following table details the shareholding in our Company of our KMP in their personal capacity, as on the date of this Prospectus:

| S.No. | Name of the KMP | No. of Equity Shares held | % of pre-issue paid-up Equity Share capital in our Company |
|-------|-----------------------------|---------------------------|--|
| 1. | Mr. Harinderpal Singh Sodhi | 2,18,084 | 28.50% |
| 2. | Mr. Harish Kumar | 2,18,084 | 28.50% |
| 3. | Mrs. Deepika | 88,990 | 11.63% |

INTEREST OF KEY MANAGERIAL PERSONNEL

Except as in their capacity as Director or Promoter of the Company, none of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL DURING THE LAST THREE YEARS

Following have been the changes in the Key Managerial Personnel during the last three years:

| S.No. | Name of KMP | Date | Reason for Change |
|-------|-----------------------------|------------|-------------------|
| 1 | Mr. Harinderpal Singh Sodhi | 07.11.2022 | Redesignation |
| 2 | Mrs. Shruti Jain | 07.11.2022 | Appointment |
| 3 | Mr. Rajesh Singla | 07.11.2022 | Appointment |
| 4 | Mr Harish Kumar | 30.12.2022 | Redesignation |
| 5 | Mrs. Deepika | 30.12.2022 | Redesignation |

Note: Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

SCHEME OF EMPLOYEE STOCK OPTIONS OR EMPLOYEE STOCK PURCHASE

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

LOANS TO KEY MANAGERIAL PERSONNEL

There are no loans outstanding against the key managerial personnel as on the date of this Prospectus.

PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled "*Financial Information*" and the chapter titled "*Our*"

Business” beginning on pages 137 and 88 of this Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Prospectus.

RETIREMENT BENEFITS

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

This space has been left blank intentionally.


OUR PROMOTERS


The Promoters of our Company are:

| S.N. | Name | Category | Shareholding |
|------|-----------------------------|---------------------|--------------|
| 1. | Mr. Harinderpal Singh Sodhi | Individual Promoter | 2,18,084 |
| 2. | Mr. Harish Kumar | Individual Promoter | 2,18,084 |

For details of the build-up of our promoters' shareholding in our Company, see "Capital Structure" beginning on page 47 of this Prospectus.

Brief profile of our Individual Promoters is as under:

| | | |
|--|--|---|
|  | Name | Mr Harinderpal Singh Sodhi |
| | Age | 33 Years |
| | PAN | CZJPS7245F |
| | Personal Address | 405, Street No. 1-6, Gandhi Nagar, Muktsar, Punjab 152026 |
| | Directorships & Other Ventures | NIL |
| | Experience | 8 Years |
| | Occupation | Business |
| | No. of Equity Shares & % Shareholding (Pre-Issue) | 2,18,084 Equity Shares of ₹10 Each & 28.50% |

| | | |
|---|--|---|
|  | Name | Mr Harish Kumar |
| | Age | 35 years |
| | PAN | BJLPK9467J |
| | Personal Address | Street No. 9, Dashmesh Nagar, Bawa colony, Muktsar, Punjab 152026 |
| | Directorships & Other Ventures | NIL |
| | Experience | 9 Years |
| | Occupation | Business |
| | No. of Equity Shares & % Shareholding (Pre-Issue) | 2,18,084 Equity Shares of ₹10 Each & 28.50% |

For details pertaining to other ventures of our Promoters, refer to “Our Group Companies” beginning on page 133 of this Prospectus.

UNDERTAKINGS AND CONFIRMATIONS

- Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhar and Passport Number of the Promoters will be submitted to the SME Platform of BSE, where the securities of our Company are proposed to be listed at the time of submission of Prospectus.
- Our Promoters have confirmed that they have not been identified as willful defaulters.
- No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

COMMON PURSUITS/ CONFLICT OF INTEREST

There is no other entity/ Group Companies which are engaged in similar line of business as our Company as on date of this Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Our Promoters are part of our Board of Directors as Managing Director and/or Directors. None of our Promoter(s) are related to any of our Company’s Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

EXPERIENCE OF PROMOTERS IN THE LINE OF BUSINESS

Our Promoters Mr. Harinderpal Singh Sodhi and Mr. Harish Kumar have limited experience in the line of business of the Company. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

INTEREST OF PROMOTERS

Interest in promotion of Our Company

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

Interest in the property of Our Company

Our Promoters have no interest in any property acquired by our Company neither in the preceding two years from the date of this Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Prospectus. Our Promoters also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

For more information, refer to “**Our Business**” beginning on page number 88 of this Prospectus.

Interest as member of Our Company

Our Promoters holds 4,36,168 Equity Shares aggregating to 57% of pre-issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to our Promoters given in “***Our Management***” beginning on page 112 of this Prospectus, our Promoter hold no other interest in our Company.

Interest as Director of our Company

Except as stated in the “***Related Party Transactions***” beginning on page 135 of the Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

COMPANIES / FIRMS FROM WHICH THE PROMOTER HAVE DISASSOCIATED THEMSELVES IN THE LAST (3) THREE YEARS

Our Promoter has not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Prospectus.

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in the ‘***Our Promoters***’ beginning on page 128 of the Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

CHANGE IN THE CONTROL OF OUR COMPANY

Present Promoters of our Company are Mr. Harinderpal Singh Sodhi and Mr. Harish Kumar. Initial subscribers to the MoA of our Company were Mr. Prakash Agrawal and Mr. Sailesh Kumar Gupta. For details of the shareholding acquired by the current Promoters of our Company refer the capital build-up of our Promoter under “***Capital Structure***” beginning on page 47 of this Prospectus.

LITIGATION INVOLVING OUR PROMOTERS

For details of legal and regulatory proceedings involving our Promoters, please refer to “***Outstanding Litigation and Material Developments***” beginning on page 207 of this Prospectus.

PAYMENT OF BENEFITS TO OUR PROMOTERS AND PROMOTER GROUP DURING THE LAST TWO YEARS

Save and except as disclosed under “***Related Party Transactions***” beginning on page number 135 of the Prospectus, there has been no Payment or benefit to promoters during the two (2) years preceding the date of filing of this Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Prospectus.

OTHER CONFIRMATIONS

As on the date of this Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters

during the last five (5) years preceding the date of this Prospectus, except as disclosed under “***Outstanding Litigation and Material Developments***” beginning on page 207 of this Prospectus.

GUARANTEES

Our promoters may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “***Statement of Financial Indebtedness***” and “***Financial Information***” on page 193 and 137 respectively of this Prospectus.

RELATED PARTY TRANSACTIONS

For details of related party transactions entered into by our Company, please refer to “***Related Party Transactions***” beginning on page 135 of the Prospectus.

INFORMATION OF OUR GROUP COMPANIES

For details related to our group companies please refer “***Our Group Companies***” on page 133 of this Prospectus.

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OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations is as under:

A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

| Relation | <i>Mr. Harinderpal Singh Sodhi</i> | <i>(In Laws)</i> |
|-----------------|------------------------------------|-------------------------|
| Father | S. Kirpal Singh | Late S. Sharanjit Singh |
| Mother | Smt Parveen Kaur | Davinder Kaur |
| Spouse | Smt Harwinder Kaur | - |
| Brothers | Davinderpal Singh | Harcharan Singh Bawa |
| Sisters | Amanat Kaur | Manjinder Kaur |
| | | Jaswinder Kaur |
| Children | Keerat Kaur | - |
| | Sahib Singh Sodhi | |

| Relation | <i>Mr. Harish Kumar</i> |
|-----------------|-------------------------|
| Father | Sh Radhey Shyam |
| Mother | Smt Sudesh Rani |
| Spouse | NA |
| Brothers | Deepak Kumar |
| Sisters | Ms. Ritu Garg |
| | Mrs. Jyoti Singla |
| | Ms. Pooja Garg |
| Children | NA |

B. Companies, partnership and proprietorship firms forming part of our Promoter Group are as follows:

| Particulars | Entity |
|--|-------------------------------------|
| Anybody corporate in which 20% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relative is a member. | M/s Avax Industries Private Limited |
| Any company in which a company (mentioned above) holds 20% of the total holding | NA |
| Any HUF or firm in which the aggregate share of the promoters and his immediate relatives is equal to or more than 20% of the total holding | NA |

OUR GROUP COMPANIES

Below mentioned are the details of Companies / Entities promoted by the Promoters of our Company, and categorised as Group Company/ Entities pursuant to Regulation 2 (1)(t) of SEBI ICDR Regulations, 2018.

No equity shares of our group entities are listed on any of the stock exchanges and they have not made any public or rights issue of securities in the preceding three years.

A. The Group Companies of our Company are as follows:

NIL

B. Other Group Entities

NIL

DECLARATIONS

- None of the entities in the Promoter Group Companies is restrained by any SEBI Order or have ever become defunct.
- None of the entities in the Promoter Group Companies is listed at any Stock Exchange nor have such entities made any public issue or right issue in the preceding three years.
- None of the entities in the Promoter Group Companies has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up or liquidation.

LITIGATIONS

For details on litigations and disputes pending against our Promoter Group and Group Companies please refer to “*Outstanding Litigations and Material Developments*” on page 207 of the Prospectus.

DEFUNCT GROUP COMPANIES

There are no defunct Group Companies of our Company as on the date of this Prospectus.

UNDERTAKING / CONFIRMATIONS

Our Promoter and Group Companies confirm that they have not been declared as a wilful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Group Companies or persons in control of the Group Companies has been:

- i) Prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority;
or
- ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of the Promoters is or has ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any entities/firms during the preceding three years.

OTHER DETAILS OF GROUP COMPANIES/ENTITIES:

1. There are no defaults in meeting any statutory/ bank/ institutional dues;
2. No proceedings have been initiated for economic offences against our Group Companies/Entities.

NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES

(a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified chapter titled “*Financial Information*” on page 137 of this Prospectus.

(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Prospectus with Stock Exchange

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing this Prospectus with Stock Exchange.

(c) In transactions for acquisition of land, construction of building and supply of machinery

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

This space has been left blank intentionally.

RELATED PARTY TRANSACTION

For details on related party transaction of our Company, please refer to Annexure 29 of Restated Financial Statements under “*Restated Financial Information*” beginning on page 137 of this Prospectus.

This space is left blank intentionally.

DIVIDEND POLICY

Under the Companies Act, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders, who have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors, under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Dividends are payable within 30 days of approval by the Equity Shareholders at the Annual General Meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company.

Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

We have not declared a dividend in any Financial Year.

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SECTION IX-FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENT

The Board of Directors

Avax Apparels and Ornaments Limited,
[Formerly known as Avax Soft Technologies Limited]
611- 6th Floor, Jaina Tower II,
District Centre, Janakpuri,
Delhi -110058

Respected Sirs,

1. We have examined, the attached Restated Financial Statement of Avax Apparels and Ornaments Limited (the “**Company**” or the “**Issuer**”) comprising the Restated Summary of Assets and Liabilities as at September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the period/year ended September 30, 2024, March 31 2024, March 31 2023 and March 31 2022 and the summary statement of significant accounting policies, and other explanatory information (collectively, the “Restated Financial Statements”), as approved by the Board of Directors of the Company at their meeting held on 28 October 2024 for the purpose of inclusion in the Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“**IPO**”) prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (“**the Act**”);
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“**ICDR Regulations**”); and
- c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by The Institute of Chartered Accountants of India (“**ICAI**”), as amended from timeto time (the “**Guidance Note**”).

2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Statement for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with the Stock Exchange where the equity shares of the Company are proposed to be listed (“**Stock Exchange**”) [i.e. Bombay Stock Exchange SME Platform], in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure 1 & 2 to the Restated Financial Statements. The Restated Financial Statements have been extracted by the management from the Audited Financial Statements of the Company for the period/year ended September 30, 2024, March 31 2024, March 31 2023, and March 31 2022. The Board of Directors of the company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The Board of Directors of the

company are also responsible for identifying and ensuring that the company complies with the Act, the ICDR Regulations and the Guidance Note.

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

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 23rd December, 2022 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

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

The Restated Financial Statements also contains the proforma Ind AS financial information as at and for the period/year ended September 30, 2024, March 31 2024, March 31 2023 and March 31 2022. The proforma Ind AS financial information have been prepared by making Restated Ind AS adjustment to the audited Ind AS financial statements as at and for the period/year ended September 30, 2024, March 31 2024, March 31 2023 and year ended March 31 2022 which have been approved by the Board of Directors at their meeting held on 28 October 2024 as described in Annexure 1 & 2 to the Restated Financial Statements.

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

Financial Statements for the period/year ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 have been audited by respectively M/s M P Gupta & Associates (FY 2021-22) and Arvind Manoj & Associates (FY 2022-23, FY 2023-24 & September 30, 2024) and accordingly reliance has been placed on the financial information examined by them for the said years. The Financial Report included for these years is based solely on the report submitted by them. However, we have carried out the re-audit of the financial statement for the period ended 30th September 2024, March 31, 2024 and March 31, 2023 as required by SEBI regulations.

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Statements:

- a) have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial period/years ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications
- b) have been prepared after incorporating Ind AS adjustments to the audited Ind AS financial statements as at

and for the period/years ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 as described in Annexure 1 & 2 to the Restated Financial Statements;

- c) does not contain any qualifications requiring adjustments; and
- d) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

7. The Restated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Ins AS financial statements mentioned in paragraph 4 above.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us and other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We, NKSC & Co., Chartered Accountants have been subjected to the peer review process of The Institute of Chartered Accountants of India (“ICAI”) and hold a valid Certificate No. 014317 dated 16 June 2022 issued by the “Peer Review Board” of the ICAI.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the Prospectus to be filed with SEBI, SME Platform of BSE, and Registrar of Companies, Delhi in connection with the proposed IPO. Our report should not be used, referred to or distributed or any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For NKSC & Co.
Chartered Accountants
Firm Registration No.: 020076N

CA Priyank Goyal
Partner
Membership No.: 521986
UDIN: 24521986BKFKZA7263
Date: 28 October 2024
Place: New Delhi

Avax Apparels and Ornaments Limited
(Formerly known as Avax Soft Technologies Limited)
Restated Statement of Assets and Liabilities
(All amounts are in lakhs unless stated otherwise)

| Particulars | Annexure | As at | | | |
|--|----------|-----------------|---------------|---------------|--------------|
| | | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant & equipment | 3 | 85.01 | 94.63 | 17.28 | 2.58 |
| Intangible asset | 4 | 0.24 | 0.29 | 0.47 | - |
| Financial assets | | | | | |
| (i) Other financial assets | 5 | 0.22 | 0.22 | 1.01 | - |
| Deferred tax Asset | 6 | 2.56 | 0.53 | 0.25 | - |
| Other non current asset | 7 | - | - | 10.98 | 9.75 |
| | | 88.03 | 95.66 | 29.99 | 12.33 |
| Current assets | | | | | |
| Inventories | 8 | 217.49 | 44.54 | 61.71 | - |
| Financial assets | | | | | |
| (i) Trade receivables | 9 | 744.62 | 306.26 | 210.94 | 25.79 |
| (ii) Cash and cash equivalents | 10 | 1.08 | 25.98 | 34.00 | 14.13 |
| Other current assets | 11 | 37.87 | 12.16 | 10.25 | 5.40 |
| | | 1,001.06 | 388.94 | 316.90 | 45.33 |
| Total Assets | | 1,089.09 | 484.60 | 346.89 | 57.66 |
| Equity and Liabilities | | | | | |
| Equity | | | | | |
| Equity share capital | 12 | 76.52 | 76.52 | 76.52 | 1.08 |
| Other equity | 13 | 328.77 | 238.16 | 99.97 | 0.58 |
| | | 405.30 | 314.68 | 176.49 | 1.66 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Financial liabilities | | | | | |
| (i) Borrowings | 14 | 72.02 | 71.50 | - | 30.00 |
| (ii) Trade payables | 15 | | | | |
| - total outstanding dues to micro and small enterprises | | - | - | - | - |
| - total outstanding dues of creditors other than micro and small enterprises | | 512.83 | 39.10 | 144.75 | 25.48 |
| (iii) Other financial liabilities | 16 | 3.27 | - | - | 0.20 |
| Deferred tax liability | 17 | - | - | - | 0.03 |
| Other current liabilities | 18 | 1.93 | 2.56 | 0.28 | - |
| Current tax liabilities | 19 | 93.74 | 56.77 | 25.37 | 0.30 |
| | | 683.80 | 169.93 | 170.40 | 56.01 |
| Total Equity and Liabilities | | 1,089.09 | 484.60 | 346.89 | 57.67 |

Summary of significant accounting policies 2
The accompanying notes form an integral part of these financial statements.
As per our report of even date.

For **NKSC & Co.**
Chartered Accountants
Firm Registration No. 020076N

Priyank Goyal
Partner
Membership No.: 521986
ICAI UDIN No. 24521986B KFKZA7263

Place: Delhi
Date: 28-Oct-2024

For and on behalf of the Board of Directors of
Avax Apparels and Ornaments Limited

Harish Kumar
Director
DIN-09283531

Harinderpal Singh Sodhi
Director
DIN-09283654

Rajesh Singla
CFO
PAN No. CNOPS 7915R

Shruti Jain
Company Secretary
M.No. 52018

Place: Delhi
Date: 28-Oct-2024

Avax Apparels and Ornaments Limited
(Formerly known as Avax Soft Technologies Limited)
Restated Statement of Profit and Loss
(All amounts are in lakhs unless stated otherwise)

| Particulars | Annexure | For the period/year ended | | | |
|---|----------|---------------------------|-----------------|-----------------|--------------|
| | | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Income | | | | | |
| Revenue from operations | 20 | 1,500.93 | 2,205.98 | 1,470.20 | 28.87 |
| Other income | 21 | - | 0.00 | 0.01 | - |
| Total Income | | 1,500.93 | 2,205.98 | 1,470.21 | 28.87 |
| Expenses | | | | | |
| Cost of material consumed | 22 | 125.95 | - | - | - |
| Purchases of stock-in-trade | 23 | 1,338.75 | 1,923.50 | 1,366.51 | 27.17 |
| Changes in inventories | 24 | (172.95) | 17.17 | (61.71) | - |
| Employee benefit expense | 25 | 35.56 | 37.06 | 33.89 | - |
| Finance cost | 26 | 4.82 | 6.64 | 1.94 | - |
| Depreciation and amortisation expense | 27 | 14.48 | 9.35 | 2.75 | 0.00 |
| Other expenses | 28 | 28.42 | 18.18 | 32.29 | 0.35 |
| Total Expenses | | 1,375.03 | 2,011.90 | 1,375.68 | 27.52 |
| Restated Profit before exceptional items and tax | | 125.90 | 194.08 | 94.53 | 1.35 |
| Restated Profit before tax | | 125.90 | 194.08 | 94.53 | 1.35 |
| Tax expense | | | | | |
| Current tax | 37 | 37.31 | 56.18 | 25.38 | 0.30 |
| Deferred tax (benefit)/charge | 37 | (2.03) | (0.28) | (0.28) | 0.03 |
| Earlier year tax adjustment | | - | - | - | - |
| Total tax expense | | 35.29 | 55.90 | 25.09 | 0.33 |
| Restated Profit after tax | | 90.61 | 138.19 | 69.44 | 1.01 |
| Other comprehensive Income | | | | | |
| Items that will not be reclassified to profit | | | | | |
| - Remeasurement of defined benefit plans | | - | - | - | - |
| - Income tax relating to these items | | - | - | - | - |
| | | - | - | - | - |
| Total Comprehensive Income, net of Tax | | 90.61 | 138.19 | 69.44 | 1.01 |
| Earnings per equity share | | | | | |
| -Basic and diluted earnings per share* | 29 | 11.84 | 18.06 | 9.07 | 0.94 |

*Face Value per share in FY 2021-22 is Rs 1 each and in FY 2022-23, FY 2023-24 and period ended September 30, 2024 is Rs 10 each.

This is the restated statement of profit and loss referred to in our
The accompanying notes form an integral part of these financial statements.

As per our report of even date.

For NKSC & Co.
Chartered Accountants
Firm Registration No. 020076N

Priyank Goyal
Partner
Membership No.: 521986
ICAI UDIN No. 24521986B KFKZA7263

Place: Delhi
Date: 28-Oct-2024

For and on behalf of the Board of Directors of
Avax Apparels and Ornaments Limited

Harish Kumar
Director
DIN-09283531

Rajesh Singla
CFO
PAN No. CNOPS 7915R

Place: Delhi
Date: 28-Oct-2024

Harinderpal Singh Sodhi
Director
DIN-09283654

Shruti Jain
Company Secretary
M.No. 52018

Avax Apparels and Ornaments Limited
(Formerly known as Avax Soft Technologies Limited)
Restated Statement of Cash Flow Statement
(All amounts are in lakhs unless stated otherwise)

| Particulars | For the period/year ended | | | |
|---|---------------------------|----------------|----------------|----------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Cash flow from operating activities | | | | |
| Profit/(Loss) before tax | 125.90 | 194.09 | 94.53 | 1.35 |
| Adjustments to reconcile profit before tax to cash generated | | | | |
| Depreciation and amortisation expense | 14.48 | 9.35 | 2.75 | 0.00 |
| Interest income | - | (0.00) | (0.01) | - |
| Finance costs | 0.41 | 3.95 | 1.94 | - |
| Operating profit before working capital changes | 140.78 | 207.39 | 99.21 | 1.35 |
| Adjustments for (increase)/decrease in operating assets | | | | |
| Inventories | (172.95) | 17.17 | (61.71) | - |
| Trade receivables | (438.36) | (95.33) | (185.15) | (25.79) |
| Other financial assets | (0.01) | 0.79 | (1.01) | - |
| Other current assets | (25.71) | (1.90) | (4.85) | (5.40) |
| Other non current asset | (0.00) | 10.98 | (1.21) | (9.75) |
| Adjustments for increase/(decrease) in operating liabilities | | | | |
| Trade payables | 473.74 | (105.66) | 119.27 | 25.48 |
| Other financial liabilities | 3.27 | - | - | 0.14 |
| Other non-financial liabilities | 36.35 | 33.68 | 25.14 | - |
| Cash (used in)/generated from operations | 17.10 | 67.13 | (10.31) | (13.98) |
| Less: Income tax paid (net of refunds) | (37.29) | (56.18) | (25.37) | - |
| Net cash flow (used in)/generated from operating activities | (20.19) | 10.95 | (35.68) | (13.98) |
| Cash flows from investing activities | | | | |
| Proceeds from/(payments for) PPE and intangible assets | (4.80) | (86.52) | (17.92) | (2.58) |
| Interest income | - | 0.00 | 0.01 | - |
| Net cash flow from investing activities (B) | (4.80) | (86.52) | (17.91) | (2.58) |
| Cash flows from financing activities | | | | |
| Payment to/Proceeds from borrowings | 0.52 | 71.50 | (30.00) | 30.00 |
| Issue of equity shares | - | - | 75.43 | - |
| Finance costs | (0.41) | (3.95) | (1.94) | - |
| Security premium of equity shares | - | - | 90.17 | - |
| Bonus shares issued | - | - | (60.21) | - |
| Net cash inflow from/(used in) financing activities (C) | 0.11 | 67.55 | 73.45 | 30.00 |
| Net increase (decrease) in cash and cash equivalents (A+B+C) | (24.88) | (8.02) | 19.86 | 13.44 |
| Cash and cash equivalents at the beginning of the year | 25.98 | 34.00 | 14.13 | 0.69 |
| Cash and cash equivalents at the end of the year | 1.10 | 25.98 | 34.00 | 14.13 |

Notes to Statement of cash flows:

| (i). Components of cash and bank balances (refer annexure 10) | For the period/year ended | | | |
|--|---------------------------|--------------|--------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Cash and cash equivalents | 1.08 | 25.98 | 34.00 | 14.13 |
| Cash and bank balances at end of the year | 1.08 | 25.98 | 34.00 | 14.13 |

(ii). The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 on "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013.

As per our report of even date.

For NKSC & Co.
Chartered Accountants
Firm Registration No. 020076N

For and on behalf of the Board of Directors of
Avax Apparels and Ornaments Limited

Priyank Goyal
Partner
Membership No.: 521986
ICAI UDIN No. 24521986BKFKZA7263

Harish Kumar
Director
DIN-09283531

Rajesh Singla
CFO
PAN No. CNOPS 7915R

Harinderpal Singh Sodhi
Director
DIN-09283654

Shruti Jain
Company Secretary
M.No. 52018

Place: Delhi
Date: 28-Oct-2024

Place: Delhi
Date: 28-Oct-2024

Avax Apparels and Ornaments Limited
 (Formerly known as Avax Soft Technologies Limited)
Restated Statement of Changes in Equity
 (All amounts are in lakhs unless stated otherwise)

A. Restated statement of equity share capital

| | |
|--------------------------------|--------------|
| Balance as at 01-Apr-22 | 1.08 |
| Change in equity share capital | 75.43 |
| Balance as at 31-Mar-23 | 76.52 |
| Change in equity share capital | - |
| Balance as at 31-Mar-24 | 76.52 |
| Change in equity share capital | - |
| Balance as at 30-Sep-24 | 76.52 |

B. Restated Statement of Other Equity

| Particulars | Other Equity | | Total |
|--------------------------------|-----------------|-------------------|---------------|
| | General reserve | Retained earnings | |
| Balance as at 01-Apr-22 | 4.02 | (3.44) | 0.57 |
| Adjustments during the year | 86.15 | 13.25 | 99.40 |
| Balance as at 31-Mar-23 | 90.17 | 9.80 | 99.98 |
| Adjustments during the period | - | 138.19 | 138.19 |
| Less: Transfer for Bonus Issue | - | - | - |
| Add: Rights Issue | - | - | - |
| Balance as at 31-Mar-24 | 90.17 | 147.99 | 238.17 |
| Adjustments during the period | - | 90.61 | 90.61 |
| Less: Transfer for Bonus Issue | - | - | - |
| Add: Rights Issue | - | - | - |
| Balance as at 30-Sep-24 | 90.17 | 238.61 | 328.78 |

As per our report of even date.

For NKSC & Co.
 Chartered Accountants
 Firm Registration No. 020076N

For and on behalf of the Board of Directors of
Avax Apparels and Ornaments Limited

Priyank Goyal
 Partner
 Membership No.: 521986
 ICAI UDIN No. 24521986BKFKZA7263

Harish Kumar
 Director
 DIN-09283531

Harinderpal Singh Sodhi
 Director
 DIN-09283654

Rajesh Singla
 CFO
 PAN No. CNOPS 7915R

Shruti Jain
 Company Secretary
 M.No. 52018

Place: Delhi
 Date: 28-Oct-2024

Place: Delhi
 Date: 28-Oct-2024

Accounting Policies

1. Corporate Information

Avax Apparels and Ornaments Limited (“the Company”) a limited company domiciled in India was registered on 02 June 2005 as Private Limited under the Companies Act, 1956 having its registered office at 6926, Jaipuria Compound, Clock Tower, Sabzi Mandi, New Delhi-110007.

The Company operates in the wholesale trading and manufacturing of knitted cloth. The company specializes in knitted cloth, which are used for manufacturing of ladies and gents' jackets. The Company also operates in the online retail business of Silver Ornaments.

The Company initially was incorporated as Ethnic Designers Private Limited which was changed to Avax Soft Technologies Limited on 11 October 2021.

The Company now changed its name from Avax Soft Technologies Limited to Avax Apparels and Ornaments Limited on 15 June 2023 as per provisions of the Companies Act with the approval of the Central Government.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation & Presentation

The Restated Statement of assets and liabilities of the Company as at September 30, 2024, March 31, 2024, March 31, 2023, and March 31, 2022 and the related Restated Statement of profits and losses, changes in equity and cash flow for the period/year ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and accompanying annexures to Restated Statement (hereinafter collectively called “Restated Financial Statement”) have been prepared specifically for inclusion in the draft red herring prospectus to be filed by the Company with the Stock Exchanges in connection with proposed initial public offer of equity shares of Rs. 10 each of the Company (the “Offering”). The Company has prepared the Restated Statement on the basis that it will continue to operate as a going concern. The Restated Financial Statements have been prepared to comply in all material respects with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act")
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") and
- c) Guidance Note on Reports in Company Prospectuses (Revised 2019) (“Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”)

The Restated Financial Statements has been compiled from:

- a) audited financial statements of the Company as at and for the period/years ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as “Ind AS”), which have been approved by the Board of Directors at their meetings held on 28 October 2024, 15 July 2024, 25 June 2023 and August 01, 2022 respectively;

These Restated Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value a) Certain financial assets and

liabilities measured at fair value (refer accounting policy regarding financial instruments) and consistent with previous year subject to changes in accounting policies. The Restated Financial Statements are presented in INR, and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2 Statement of compliance with Indian Accounting Standards:

These Restated Financial Statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The significant accounting policies adopted for preparation and presentation of these financial statements are included in Annexure 2. These policies have been applied consistently by the Company for all the periods presented in these financial statements.

2.3 Current and non-current classification

All assets and liabilities have been classified and presented as current or non-current in accordance with the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

2.4 Functional and presentation currency

These Restated Financial Statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs, unless otherwise indicated.

2.5 Use of estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures. Actual results may differ from these estimates.

2.6 Significant management judgements:

- **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.
- **Business model assessment** – The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets
- **Classification of leases** – Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contract.

- **Provisions** – At each Balance Sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

2.7 Significant estimates:

- **Useful lives of depreciable/amortisable assets** – Management reviews its estimate of useful lives, residual values, and method of depreciation of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.
- **Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

2.8 Revenue

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. The Standard requires apportioning revenue earned from contracts to individual promises, or performance obligations, on a relative stand-alone selling price basis, using a five-step model.

Revenue from sale of goods

Revenue is recognised upon transfer of control of promised product or services to customer in an amount that reflect the consideration which the Company expects to receive in exchange for those product or services at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes/duties and discounts.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- b. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products is recognised at a time on which the performance obligation is satisfied.

Recognition in case of local sales is generally recognised on the dispatch of goods.

2.9 Tax expense

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

2.10 Inventories

Raw materials, stores and spares, work-in-progress, manufactured finished goods and traded goods are valued at lower of cost or net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Cost comprises of all cost of purchase, cost of conversion and other cost incurred in

bringing them to their respective present location and condition. Cost is determined using first in, first out method of inventory valuation.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.11 Leases

As lessee

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

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.12 Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances in current accounts and short term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current financial liabilities in the balance sheet.

2.13 Provisions, contingent liabilities, and contingent assets

Provisions

The Company creates a provision when there is 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.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liability

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets

Contingent assets are possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

2.14 Property, plant and equipment (including Capital work-in-progress)

Recognition and measurement

All items of property, plant and equipment are stated at historical cost less depreciation. Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost net of recoverable taxes (wherever applicable), which includes capitalised borrowing costs less depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, if any, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

On transition to Ind AS, the Company had elected to continue with carrying value of all its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual values

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value over their useful life using written down value method and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as under and the same are equal to lives specified as per schedule II of the Act.

The useful lives of the assets are as under:

| Particulars | Useful lives (in years) |
|--------------------------|--------------------------------|
| Tangible assets: | |
| Electrical installations | 10 Years |
| Furniture & fixture | 10 Years |

| | |
|--------------------|---------|
| Computers | 3 Years |
| Computers – Server | 6 Years |

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from property, plant and equipment is provided for up to the date of sale, deduction or discard of property, plant and equipment as the case may be.

Depreciation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

2.15 Intangible assets

Recognition and measurement

An intangible asset is recognised when it is probable that the future economic benefits attributable to the asset will flow to the Group and where its cost can be reliably measured.

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in the statement of profit and loss.

The useful lives of intangible assets are as follows:

| Particulars | Useful lives (in years) |
|---------------------------|--------------------------------|
| Intangible assets: | |
| Computer software | 5 years |

Amortisation method, useful lives and residual values are reviewed at each financial year-end, and changes, if any, are accounted for prospectively.

Losses arising from the retirement of and gain or losses arising from disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of asset and recognised as income or expense in the statement of profit and loss.

2.16 Financial instruments

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition or issue, except for an item recognised at fair value through profit and loss. Transaction cost of financial assets carried at fair value through profit and loss is expensed in the statement of profit and loss.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost,
- Fair value through other comprehensive income (FVOCI), or
- Fair value through profit and loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified to be measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features; prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

Debts investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On Derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: classification, subsequent measurement & gain and loss

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains

and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:-

- Financial assets measured at amortised cost; and
- Financial assets measured at FVOCI- debt investments

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit -impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for agreed credit period;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Expected credit loss

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than agreed credit period.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is past due and not recovered within agreed credit period.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets disclosed in the Balance Sheet.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

2.17 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 period. The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, share split or consolidation of shares.

For 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 period are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted into equity shares as at the beginning of the period unless they have been issued at a later date.

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Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

Annexures to the Restated Financial Statements

(All amounts are in lakhs unless stated otherwise)

Annexure 3 - Restated Statement of Property, Plant & Equipment

For the period ended September 30, 2024

| | Gross block (at cost) | | | | Accumulated depreciation | | | | Net block |
|-----------------------|-----------------------|------------------------------|-------------------------|--------------------|--------------------------|---------------------------------|-------------------------|--------------------|--------------------|
| | As at 01-Apr-24 | Additions during the year | Disposal/ Adjustment | As at 30-Sep-24 | As at 01-Apr-24 | Depreciation during the year | Disposal/ Adjustment | As at 30-Sep-24 | As at 30-Sep-24 |
| Plant & Machinery | 64.09 | - | - | 64.09 | 3.28 | 9.50 | - | 12.78 | 51.31 |
| Furniture and Fitting | 41.24 | 4.79 | - | 46.04 | 7.71 | 4.85 | - | 12.56 | 33.48 |
| Laptop | 0.80 | - | - | 0.80 | 0.63 | 0.05 | - | 0.68 | 0.12 |
| Website server | 0.32 | - | - | 0.32 | 0.20 | 0.02 | - | 0.22 | 0.10 |
| | 106.45 | 4.79 | - | 111.25 | 11.82 | 14.42 | - | 26.24 | 85.01 |

For the FY 23-24

| | Gross block (at cost) | | | | Accumulated depreciation | | | | Net block |
|-----------------------|-----------------------|------------------------------|-------------------------|--------------------|--------------------------|---------------------------------|-------------------------|--------------------|--------------------|
| | As at 01-Apr-23 | Additions during the year | Disposal/ Adjustment | As at 31-Mar-24 | As at 01-Apr-23 | Depreciation during the year | Disposal/ Adjustment | As at 31-Mar-24 | As at 31-Mar-24 |
| Plant & Machinery | - | 64.09 | - | 64.09 | - | 3.28 | - | 3.28 | 60.81 |
| Furniture and Fitting | 18.81 | 22.43 | - | 41.24 | 2.19 | 5.52 | - | 7.71 | 33.53 |
| Laptop | 0.80 | - | - | 0.80 | 0.33 | 0.30 | - | 0.63 | 0.17 |
| Website server | 0.32 | - | - | 0.32 | 0.12 | 0.08 | - | 0.20 | 0.12 |
| | 19.93 | 86.52 | - | 106.45 | 2.65 | 9.17 | - | 11.82 | 94.63 |

For the FY 22-23

| | Gross block (at cost) | | | | Accumulated depreciation | | | | Net block |
|-----------------------|-----------------------|------------------------------|-------------------------|--------------------|--------------------------|---------------------------------|-------------------------|--------------------|--------------------|
| | As at 01-Apr-22 | Additions during the year | Disposal/ Adjustment | As at 31-Mar-23 | As at 01-Apr-22 | Depreciation during the year | Disposal/ Adjustment | As at 31-Mar-23 | As at 31-Mar-23 |
| Electrical fittings | 2.58 | 4.98 | - | 7.56 | 0.00 | 1.23 | - | 1.24 | 6.33 |
| Furniture and Fitting | - | 11.25 | - | 11.25 | - | 0.96 | - | 0.96 | 10.29 |
| Laptop | - | 0.80 | - | 0.80 | - | 0.33 | - | 0.33 | 0.47 |
| Website server | - | 0.32 | - | 0.32 | - | 0.12 | - | 0.12 | 0.20 |
| | 2.58 | 17.35 | - | 19.93 | 0.00 | 2.64 | - | 2.65 | 17.28 |

For the FY 21-22

| | Gross block (at cost) | | | | Accumulated depreciation | | | | Net block |
|---------------------|------------------------|------------------------------|-------------------------|--------------------|--------------------------|---------------------------------|-------------------------|--------------------|--------------------|
| | As at April 1, 2021 | Additions during the year | Disposal/ Adjustment | As at 31-Mar-22 | As at 01-Apr-21 | Depreciation during the year | Disposal/ Adjustment | As at 31-Mar-22 | As at 31-Mar-22 |
| Electrical fittings | - | 2.58 | - | 2.58 | - | 0.00 | - | 0.00 | 2.58 |
| | - | 2.58 | - | 2.58 | - | 0.00 | - | 0.00 | 2.58 |

(i). The Company has not carried out any revaluation of property, plant and equipment for the period ended September 30, 2024 and year ended March 31, 2024, March 31, 2023 & March 31, 2022.

(ii). There are no impairment losses recognised for the period ended September 30, 2024 and year ended March 31, 2024, March 31, 2023 & March 31, 2022.

(iii). There are no exchange differences adjusted in Property, plant & equipment.

Avax Apparels and Ornaments Limited

(Formerly known as Avax Soft Technologies Limited)

Annexures to the Restated Financial Statements

(All amounts are in lakhs unless stated otherwise)

Annexure 4 - Restated Statement of Intangible Assets

For the period ended September 30, 2024

| | Gross block (at cost) | | | | Accumulated Amortisation | | | | Net block |
|----------|-----------------------|------------------------------|-------------------------|--------------------|--------------------------|---------------------------------|-------------------------|--------------------|--------------------|
| | As at 01-Apr-24 | Additions during the year | Disposal/ Adjustment | As at 30-Sep-24 | As at 01-Apr-24 | Amortisation during the year | Disposal/ Adjustment | As at 30-Sep-24 | As at 30-Sep-24 |
| Website | 0.57 | - | - | 0.57 | 0.29 | 0.06 | - | 0.34 | 0.23 |
| Software | 0.01 | - | - | 0.01 | 0.00 | 0.00 | - | 0.00 | 0.01 |
| | 0.58 | - | - | 0.58 | 0.29 | 0.06 | - | 0.34 | 0.24 |

For the FY 23-24

| | Gross block (at cost) | | | | Accumulated Amortisation | | | | Net block |
|----------|-----------------------|------------------------------|-------------------------|--------------------|--------------------------|---------------------------------|-------------------------|--------------------|--------------------|
| | As at 01-Apr-23 | Additions during the year | Disposal/ Adjustment | As at 31-Mar-24 | As at 01-Apr-23 | Amortisation during the year | Disposal/ Adjustment | As at 31-Mar-24 | As at 31-Mar-24 |
| Website | 0.57 | - | - | 0.57 | 0.11 | 0.18 | - | 0.29 | 0.28 |
| Software | - | 0.01 | - | 0.01 | - | 0.00 | - | 0.00 | 0.01 |
| | 0.57 | 0.01 | - | 0.58 | 0.11 | 0.18 | - | 0.29 | 0.29 |

For the FY 22-23

| | Gross block (at cost) | | | | Accumulated Amortisation | | | | Net block |
|---------|-----------------------|------------------------------|-------------------------|--------------------|--------------------------|---------------------------------|-------------------------|--------------------|--------------------|
| | As at 01-Apr-22 | Additions during the year | Disposal/ Adjustment | As at 31-Mar-23 | As at 01-Apr-22 | Amortisation during the year | Disposal/ Adjustment | As at 31-Mar-23 | As at 31-Mar-23 |
| Website | - | 0.57 | - | 0.57 | - | 0.11 | - | 0.11 | 0.47 |
| | - | 0.57 | - | 0.57 | - | 0.11 | - | 0.11 | 0.47 |

Footnotes:

- (i). There are no internally generated intangible assets.
- (ii). The Company has not carried out any revaluation of intangible assets.
- (iii). There are no other restriction on title of intangible assets.
- (iv). There are no exchange differences adjusted in intangible assets.
- (v). The Company has not acquired intangible assets free of charge, or for nominal consideration, by way of a government grant.
- (vi). The company do not own any Intangible assets as at 31 March 2021 and 31 March 2022.

Avax Apparels and Ornaments

(Formerly known as Avax Soft Technologies)

Annexures to the Restated Financial Statements*(All amounts are in lakhs unless stated otherwise)***Annexure 4(2) -Restated Statement of Material Adjustments**

Summarised below are the Restatement adjustments made to the profit after tax of the Audited Financial Statements of the Company for the period/year ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and their consequential impact on the profit/ (loss) of the Company:

| Particulars | For the period/year ended | | | |
|---|---------------------------|---------------|--------------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| A) Net profit/(loss) after tax as per audited financial statements | 90.61 | 135.88 | 69.44 | 0.99 |
| B) Adjustments | | | | |
| (i) Audit qualifications | | | | |
| Depreciation and amortisation expense | - | 0.46 | - | - |
| Current tax | - | 13.26 | - | - |
| Employee benefit expense | - | (5.70) | - | - |
| Other expenses | - | (5.44) | - | - |
| (ii) Adjustments due to prior period items /other | - | - | - | - |
| (iii) Deferred tax impact on adjustments in (i) and (ii), as | - | (0.27) | - | 0.02 |
| Total adjustments before tax | - | 2.31 | - | 0.02 |
| Restated profit/(loss) before tax adjustments | 90.61 | 138.19 | 69.44 | 1.01 |

Summarised below are the Restatement adjustments made to the profit after tax of the Audited Financial Statements of the Company for the period/year ended September 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and their consequential impact on the profit/ (loss) of the Company:

| Particulars | For the period/year ended | | | |
|--|---------------------------|---------------|---------------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| A) Total Equity as per audited financial statements | 405.30 | 312.38 | 176.49 | 1.63 |
| B) Adjustments | | | | |
| (i) Audit qualifications | | | | |
| Depreciation and amortisation expense | - | 0.46 | - | - |
| Current tax | - | 13.26 | - | - |
| Employee benefit expense | - | (5.70) | - | - |
| Other expenses | - | (5.45) | - | - |
| (ii) Adjustments due to prior period items /other | - | - | - | - |
| (iii) Deferred tax impact on adjustments in (i) and (ii), as | - | (0.27) | - | 0.02 |
| Total adjustments before tax | - | 2.30 | - | 0.02 |
| Restated profit/(loss) before tax adjustments | 405.30 | 314.68 | 176.49 | 1.65 |

Annexure 5 - Restated Statement of Other Financial Assets (non-current)

| Particulars | As at | | | |
|-------------------|-------------|-------------|-------------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Security deposits | 0.22 | 0.22 | 1.01 | - |
| Total | 0.22 | 0.22 | 1.01 | - |

Footnote:

(i). For explanation on the Company's risk management process, refer annexure 33.

Annexure 6 - Restated Statement of Deferred tax assets

| Particulars | As at | | | |
|---------------------|-------------|-------------|-------------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Deferred tax assets | 2.56 | 0.53 | 0.25 | - |
| Total | 2.56 | 0.53 | 0.25 | - |

Annexure 7 - Restated Statement of Other Non Current Assets

| Particulars | As at | | | |
|-----------------|-----------|-----------|--------------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Capital advance | - | - | 10.98 | 9.75 |
| Total | - | - | 10.98 | 9.75 |

Annexure 8 - Restated Statement of Inventories

| Particulars | As at | | | |
|---|---------------|--------------|--------------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Valued at lower of cost and net realisable value | | | | |
| Finished goods | 217.49 | 44.54 | 61.71 | - |
| Total | 217.49 | 44.54 | 61.71 | - |

Annexure 9 - Restated Statement of Trade Receivables

| Particulars | As at | | | |
|--|---------------|---------------|---------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| (i) Undisputed trade receivables — considered good | 744.62 | 306.26 | 210.94 | 25.79 |
| (ii) Undisputed trade receivables — which have significant | - | - | - | - |
| Less: Impairment loss allowance | - | - | - | - |
| Total | 744.62 | 306.26 | 210.94 | 25.79 |

Footnotes:

- (i). No trade receivables are hypothecated as
(ii). For explanation on the Company risk management process, refer annexure 33.
(iii). Trade receivables are non-interest bearing
(iv). No trade receivables are due from director or other officer of the Company and firms or private companies in which any director is a partner, a director or a member either jointly or severally with other persons.

(v). Trade Receivables Ageing

| Particulars | As at | | | |
|---|---------------|---------------|---------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Unsecured - at amortised cost | | | | |
| Undisputed trade receivables — considered good | | | | |
| 0-6 months | 582.41 | 290.12 | 157.87 | 25.79 |
| 6-12 months | 154.06 | - | 53.06 | - |
| 1-2 years | 8.15 | 16.15 | - | - |
| 2-3 years | - | - | - | - |
| More than 3 years | - | - | - | - |
| Undisputed trade receivables - | | | | |
| 0-6 months | - | - | - | - |
| 6-12 months | - | - | - | - |
| 1-2 years | - | - | - | - |
| 2-3 years | - | - | - | - |
| More than 3 years | - | - | - | - |
| Less: Impairment loss allowance | - | - | - | - |
| Total | 744.62 | 306.26 | 210.94 | 25.79 |

Annexure 10 - Restated Statement of Cash and Cash Equivalents

| Particulars | As at | | | |
|---------------------|-------------|--------------|--------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Cash on hand | 0.16 | 3.67 | 0.18 | 3.88 |
| Balances with banks | 0.92 | 22.31 | 33.82 | 10.26 |
| Total | 1.08 | 25.98 | 34.00 | 14.13 |

Footnote:

(i). The company exposure to Credit risk are disclosed in annexure 33.

Annexure 11 - Restated Statement of Other Current Assets

| Particulars | As at | | | |
|-------------------------------------|--------------|--------------|--------------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Balance with government authorities | - | - | 2.78 | 0.40 |
| Advance to employees | - | - | - | 4.50 |
| Advance to others | 37.75 | 12.16 | 7.20 | - |
| Advance rent | - | - | - | 0.50 |
| Prepaid expenses | 0.12 | - | 0.27 | - |
| Total | 37.87 | 12.16 | 10.25 | 5.40 |

Annexure 12 - Restated Statement of Equity Share Capital

(i). The Company has only one class of share capital having a par value of ₹ 10 per share, referred to herein as equity shares.

| Particulars | 30-Sep-24 | | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-22 | |
|--|------------------|---------------|------------------|---------------|------------------|---------------|-----------------|-------------|
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| Authorised shares | | | | | | | | |
| Equity Shares | 20,00,000 | 200.00 | 20,00,000 | 200.00 | 20,00,000 | 200.00 | 2,00,000 | 2.00 |
| Note 1: On 11-May-22 equity shares were consolidated from Rs. 1 each to Rs. 10 each per Share | - | - | - | - | - | - | - | - |
| | 20,00,000 | 200.00 | 20,00,000 | 200.00 | 20,00,000 | 200.00 | 2,00,000 | 2.00 |
| Issued, subscribed and fully paid-up shares | | | | | | | | |
| Equity Shares | 7,65,158 | 76.52 | 7,65,158 | 76.52 | 7,65,158 | 76.52 | 1,08,200 | 1.08 |
| Note 1: On 11-May-22 equity shares were consolidated from Rs. 1 each to Rs. 10 each per Share | | | | | | | | |
| Total | 7,65,158 | 76.52 | 7,65,158 | 76.52 | 7,65,158 | 76.52 | 1,08,200 | 1.08 |

(ii). Reconciliation of the shares outstanding at the beginning and end of the year

| Particulars | 30-Sep-24 | | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-22 | |
|--|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|-------------|
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 7,65,158 | 76.52 | 7,65,158 | 76.52 | 1,08,200 | 1.08 | 1,08,200 | 1.08 |
| Shares Consolidated from Rs. 1 to Rs. 10 each | - | - | - | - | (97,380) | - | - | - |
| Issued during the year* | - | - | - | - | 7,54,338 | 75.43 | - | - |
| Shares outstanding at the end of the year | 7,65,158 | 76.52 | 7,65,158 | 76.52 | 7,65,158 | 76.52 | 1,08,200 | 1.08 |

*During the year ended March 31, 2023, the Company has preferential allotted 1,990 fully paid-up equity shares of face value of ₹ 10/- each at issue price of ₹ 10 per share on June 03, 2022.

On 11 November 2022, the Board has approved the issue of bonus shares in the ratio of 47:1 and hereby allotted 602,070 shares of Rs. 10 each.

Pursuant to rights issue, the Company has allotted 150,278 shares of face value of Rs. 10 each at Rs. 70 per share.

Further, the Company has neither issued any shares with differential voting rights nor issued any sweat equity shares during the FY 2023-24.

(iii). **Terms/rights attached to equity shares**

Voting

Each shareholder is entitled to one vote per share held.

Dividends

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting except in the case where interim dividend is distributed. The Company has not distributed any dividend in the current and previous year.

Liquidation

In the event of liquidation of the Company, the shareholders shall be entitled to receive all of the remaining assets of the Company after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

(iv). The Company has no holding company.

(v). **Detail of shareholders holding more than 5% of equity share of the Company**

| Name of shareholders | 30-Sep-24 | | 31-Mar-24 | | 31-Mar-23 | | 31-Mar-22 | |
|--|--------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|--------------------|--------------------------|
| | Holding in numbers | % of Total equity shares | Holding in numbers | % of Total equity shares | Holding in numbers | % of Total equity shares | Holding in numbers | % of Total equity shares |
| Amandeep Singh | 1,09,202 | 14.27% | 1,09,202 | 14.27% | 1,09,202 | 14.27% | 25,000 | 23.11% |
| Harish Kumar | 2,18,084 | 28.50% | 2,18,084 | 28.50% | 2,18,084 | 28.50% | 29,100 | 26.89% |
| Amritpal Singh Gill | 98,045 | 12.81% | 98,045 | 12.81% | 98,045 | 12.81% | 25,000 | 23.11% |
| Harinderpal Singh Sodhi | 2,18,084 | 28.50% | 2,18,084 | 28.50% | 2,18,084 | 28.50% | 29,100 | 26.89% |
| Deepika | 88,990 | 11.63% | 88,990 | 11.63% | 88,990 | 11.63% | - | 0.00% |
| Mr. Shailesh Kumar Gupta | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Raghunath Holding and Finlease Pvt Ltd | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Prabhu Dhan Travels Pvt Ltd | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| | 7,32,405 | 95.72% | 7,32,405 | 95.72% | 7,32,405 | 95.72% | 1,08,200 | 100.00% |

(vi). No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back during the period of 5 years immediately preceding the Balance Sheet date.

(vii). Details of share held by Promoters at the end of year

| Particular | Promoter Name | No. of Share at the beginning of the year | Change during the year | No of share at the end of year | % of Total Shares | % Change during the year | % of Total Shares | % Change during the year |
|---|-------------------------|---|------------------------|--------------------------------|-------------------|--------------------------|-------------------|--------------------------|
| As at September 30, 2024 | | | | | | | | |
| Equity shares of INR 10 each fully paid | Harinderpal Singh Sodhi | 2,18,084 | - | 2,18,084 | 28.50% | 0.00% | 10.90% | 0.00% |
| Equity shares of INR 10 each fully paid | Harish Kumar | 2,18,084 | - | 2,18,084 | 28.50% | 0.00% | 10.90% | 0.00% |
| Total | | 4,36,168 | - | 4,36,168 | 57.00% | | 21.81% | |
| As at March 31, 2024 | | | | | | | | |
| Equity shares of INR 10 each fully paid | Harinderpal Singh Sodhi | 2,18,084 | - | 2,18,084 | 28.50% | 0.00% | 28.50% | 0.00% |
| Equity shares of INR 10 each fully paid | Harish Kumar | 2,18,084 | - | 2,18,084 | 28.50% | 0.00% | 28.50% | 0.00% |
| Total | | 4,36,168 | - | 4,36,168 | 57.00% | | 57.00% | |
| As at March 31, 2023 | | | | | | | | |
| Equity shares of INR 10 each fully paid | Harinderpal Singh Sodhi | 29,100 | 1,88,984 | 2,18,084 | 28.50% | 649.43% | 28.50% | 649.43% |
| Equity shares of INR 10 each fully paid | Harish Kumar | 29,100 | 1,88,984 | 2,18,084 | 28.50% | 649.43% | 28.50% | 649.43% |
| Total | | 58,200 | 3,77,968 | 4,36,168 | 57.00% | | 57.00% | |
| As at March 31, 2022 | | | | | | | | |
| Equity shares of INR 1 each fully paid | Harinderpal Singh Sodhi | - | 29,100 | 29,100 | 26.89% | 100.00% | 26.89% | 100.00% |
| Equity shares of INR 1 each fully paid | Harish Kumar | - | 29,100 | 29,100 | 26.89% | 100.00% | 26.89% | 100.00% |
| Total | | - | 58,200 | 58,200 | 53.79% | | 53.79% | |

Annexure 13 - Restated Statement of Other Equity

| Particulars | As at | | | |
|---|---------------|---------------|--------------|---------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| (i). Security premium account | | | | |
| Opening balance | 90.17 | 90.17 | 4.02 | 4.02 |
| Less: Transfer on bonus issue | - | - | (4.02) | - |
| Add: Security premium on right issue | - | - | 90.17 | - |
| Closing balance | 90.17 | 90.17 | 90.17 | 4.02 |
| (ii). Retained earnings | | | | |
| Opening balance | 147.99 | 9.80 | (3.44) | (4.47) |
| Add: Profit for the period/year | 90.61 | 138.19 | 69.44 | 1.01 |
| Less: Transfer on bonus issue | | - | (56.19) | - |
| Add: Transferred from accumulated other comprehensive income | | - | - | - |
| Closing balance | 238.60 | 147.99 | 9.80 | (3.44) |
| Total Other equity | 328.77 | 238.16 | 99.97 | 0.58 |

Nature and purpose of Other equity:

(i). General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from / to retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

(ii). Retained earnings

Retained earnings represents the surplus in profit and loss account and appropriations.

Annexure 14 - Restated Statement of Borrowings (current)

| Particulars | As at | | | |
|-------------------------------------|--------------|--------------|-----------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Bank overdraft (refer footnote iii) | 72.02 | 71.50 | - | - |
| Loan from Directors | - | - | - | 30.00 |
| Total | 72.02 | 71.50 | - | 30.00 |

Footnote:

- (i). Loan from Directors interest free and are repayable at demand.
(ii). For loan taken from related parties refer annexure 31.
(iii). The company has taken following overdraft limits from Yes bank :

| Bank overdraft Facility | Particulars | As at | As at |
|-------------------------|------------------|-----------|-----------|
| | | 30-Sep-24 | 31-Mar-24 |
| Yes Bank | Sanction date | 27-Jun-24 | 26-Sep-23 |
| | Rate of Interest | 10.5% | 10.5% |
| | Sanctioned limit | 154 lakhs | 75 lakhs |
| | Repayment | On demand | On demand |

Security details: Yes bank

| Security/Collateral Type | Security details | Facilities applicable | Cross Collateral details |
|--------------------------|---|-----------------------|--------------------------|
| Government Guarantee | CGTMS E - Hybrid | 44 lacs | NA |
| Personal Guarantee | Harinderpal Singh Sodhi | 154 lakhs | NA |
| Personal Guarantee | Harish Kumar | 154 lakhs | NA |
| Personal Guarantee | Deepika | 154 lakhs | NA |
| Personal Guarantee | Kirpal Singh | 154 lakhs | NA |
| Property | Exclusive Charge - on property situated at Property Unit No.B-011/1900,B-011/1900-01, Amar Colony, Street No.2, Chaju Roshan Da, Karkhana, Anaj Mandi Road Barnala, Tehsil & Distt Barnala, Barnala, Punjab- 148101 | 110 lakhs | NA |
| Property | Exclusive Charge - on property situated at KILLA No-21/3(3-10)22/2, (5-7)24/2(5-7)25/2(5-7) Vakya Rakba Gas Agency Road, Muktsar, Muktsar, Punjab- 152026 | 110 lakhs | NA |
| Current Assets | Exclusive Charge on stock | 154 lakhs | NA |
| Current Assets | Exclusive Charge on book debts | 154 lakhs | NA |

Annexure 15 - Restated Statement of Trade Payables

| Particulars | As at | | | |
|----------------------------------|---------------|--------------|---------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Trade payables due | | | | |
| - to micro and small enterprises | - | - | - | - |
| - to others | 512.83 | 39.10 | 144.75 | 25.48 |
| Total | 512.83 | 39.10 | 144.75 | 25.48 |

Footnotes:

- (i). Trade payables other than due to MSMEs are non-interest bearing and are normally settled in the Company's operating cycle.
(ii). The Company's exposure to currency and liquidity risks are disclosed in note 33.

(iii). Trade payables ageing

| Particulars | As at | | | |
|--|---------------|--------------|---------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Trade payables due to micro and small enterprises | | | | |
| Less than 1 year | - | - | - | - |
| 1-2 years | - | - | - | - |
| 2-3 years | - | - | - | - |
| More than 3 years | - | - | - | - |
| Trade payables due to others | | | | |
| Less than 1 year | 512.83 | 38.60 | 144.75 | 25.48 |
| 1-2 years | - | 0.50 | - | - |
| 2-3 years | - | - | - | - |
| More than 3 years | - | - | - | - |
| Total | 512.83 | 39.10 | 144.75 | 25.48 |

Annexure 16 - Restated Statement of Other Financial Liabilities

| Particulars | As at | | | |
|--------------------------|-------------|-----------|-----------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Expense payable | 0.25 | - | - | 0.20 |
| Employee related payable | 2.30 | - | - | - |
| Interest accrued and due | 0.72 | - | - | - |
| Total | 3.27 | - | - | 0.20 |

Annexure 17 - Restated Statement of Deferred Tax Liability

| Particulars | As at | | | |
|--|-----------|-----------|-----------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Deferred tax liability (refer annexure 37) | - | - | - | 0.03 |
| Total | - | - | - | 0.03 |

Annexure 18 - Restated Statement of Other Current Liabilities

| Particulars | As at | | | |
|-------------------------|-------------|-------------|-------------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Advance from customer | 0.30 | 0.18 | - | - |
| Statutory dues payables | 1.63 | 2.37 | 0.28 | - |
| Total | 1.93 | 2.56 | 0.28 | - |

Annexure 19 - Restated Statement of Current Tax Liabilities (net)

| Particulars | As at | | | |
|--|--------------|--------------|--------------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Provision for income tax [net of advance tax Rs.- 0.34 (previous year Rs. 0.68)] | 93.74 | 56.77 | 25.37 | 0.30 |
| Total | 93.74 | 56.77 | 25.37 | 0.30 |

Annexure 20 - Restated Statement of Revenue From Operations

| Particulars | For the period/year ended | | | |
|-------------------------------|---------------------------|-----------------|-----------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Sale of goods | | | | |
| Manufacturing | 153.72 | - | - | - |
| Trading goods | 1,346.09 | 2,205.98 | 1,470.20 | 28.87 |
| Other operating income | | | | |
| Sale of scrap | 1.12 | - | - | - |
| Total | 1,500.93 | 2,205.98 | 1,470.20 | 28.87 |

Information required as per Ind AS 115:

| Particulars | For the period/year ended | | | |
|--|---------------------------|-----------|-----------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Disaggregated revenue information as per geographical markets | | | | |
| Revenue from customers based in India | 1,500.93 | 2,205.98 | 1,470.20 | 28.87 |
| Revenue from customers based outside India | - | - | - | - |
| Timing of revenue recognition | | | | |
| Transferred at a point in time | 1,500.93 | 2,205.98 | 1,470.20 | 28.87 |
| Trade receivables and contract assets/(liabilities) | | | | |
| Trade receivables | 744.62 | 306.26 | 210.94 | 25.79 |

Performance obligation and remaining performance obligation

There are no remaining performance obligations for the period ended September 30, 2024, as the same is satisfied upon delivery of goods.

Annexure 21 - Restated Statement of Other Income

| Particulars | For the period/year ended | | | |
|-----------------|---------------------------|-------------|-------------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Other income | - | - | - | - |
| Interest income | - | 0.00 | 0.01 | - |
| Total | - | 0.00 | 0.01 | - |

Annexure 22 - Restated Statement of cost of material consumed

| Particulars | For the period/year ended | | | |
|--------------------------|---------------------------|-----------|-----------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Opening stock | - | - | - | - |
| Purchase of raw material | 125.95 | - | - | - |
| Closing stock | - | - | - | - |
| Total | 125.95 | - | - | - |

Annexure 23 - Restated Statement of Purchases of Stock-in-Trade

| Particulars | For the period/year ended | | | |
|-----------------------------|---------------------------|-----------------|-----------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Purchases of stock-in-trade | 1,338.75 | 1,923.50 | 1,366.51 | 27.17 |
| Total | 1,338.75 | 1,923.50 | 1,366.51 | 27.17 |

Annexure 24 - Restated Statement of Changes in Inventories

| Particulars | For the period/year ended | | | |
|---|---------------------------|--------------|----------------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Inventories at beginning of the year | | | | |
| Finished goods | 44.54 | 61.71 | - | - |
| | 44.54 | 61.71 | - | - |
| Inventories at end of the year | | | | |
| Finished goods | 217.49 | 44.54 | 61.71 | - |
| | 217.49 | 44.54 | 61.71 | - |
| Decrease/(increase) in inventories | (172.95) | 17.17 | (61.71) | - |

Annexure 25 - Restated Statement of Employee Benefit Expense

| Particulars | For the period/year ended | | | |
|---|---------------------------|--------------|--------------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Salary, wages, bonus and other benefits | 23.32 | 21.76 | 5.69 | - |
| Director remuneration | 12.24 | 15.30 | 28.20 | - |
| Total | 35.56 | 37.06 | 33.89 | - |

Footnotes

(i). For salary/remuneration paid to related parties refer note 31.

Annexure 26 - Restated Statement of Finance Costs

| Particulars | For the period/year ended | | | |
|--|---------------------------|-------------|-------------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Interest on borrowings | 3.45 | 2.30 | - | - |
| Interest on delay in payment of statutory dues | 0.41 | 3.95 | 1.94 | - |
| Other borrowing cost | 0.96 | 0.40 | - | - |
| Total | 4.82 | 6.64 | 1.94 | - |

Annexure 27 - Restated Statement of Depreciation and Amortisation Expense

| Particulars | For the period/year ended | | | |
|--|---------------------------|-------------|-------------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Depreciation on property, plant and equipment (refer annexure 3) | 14.42 | 9.17 | 2.64 | 0.00 |
| Amortisation on intangible asset (refer annexure 4) | 0.06 | 0.18 | 0.11 | - |
| Total | 14.48 | 9.35 | 2.75 | 0.00 |

Annexure 28 - Restated Statement of Other Expenses

| Particulars | For the period/year ended | | | |
|----------------------------------|---------------------------|--------------|--------------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Tour & travelling expenses | 1.96 | 1.79 | 4.03 | - |
| Power & fuel | 13.96 | - | - | - |
| Advertisement expense | - | - | 0.30 | - |
| Legal and professional expenses | 1.31 | 2.42 | 11.39 | 0.20 |
| Bank charges | 0.29 | 0.27 | 0.03 | 0.00 |
| Rent expenses | 2.34 | 10.98 | 5.81 | 0.09 |
| Repair and maintenance- building | 7.50 | - | - | - |
| Business promotion | 0.72 | 0.08 | 7.71 | 0.01 |
| Office expenses | 0.26 | 1.22 | 2.06 | - |
| Trademark expenses | - | - | 0.14 | - |
| Insurance | 0.01 | 1.26 | 0.09 | - |
| Software expenses | 0.05 | 0.10 | 0.72 | - |
| Packing charges | - | - | - | - |
| Miscellaneous expenses | 0.02 | 0.06 | 0.00 | 0.04 |
| Total | 28.42 | 18.18 | 32.29 | 0.35 |

Footnote:

| (i). Payment of remuneration to auditors (excluding GST) | For the period/year ended | | | |
|--|---------------------------|-------------|-------------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| - Statutory audit | 0.50 | 0.60 | 0.58 | 0.20 |
| Total | 0.50 | 0.60 | 0.58 | 0.20 |

Annexure 29 - Restated Statement of Earnings Per Share

| Particulars | For the period/year ended | | | |
|--|---------------------------|---------------|--------------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| (a). Restated basic and diluted earnings per share (in Rs.) | | | | |
| From continuing operations attributable to the equity holders of the Company | 11.84 | 18.06 | 9.07 | 0.94 |
| (b). Reconciliations of earnings used in calculating earnings per | | | | |
| Restated basic earnings per share | | | | |
| Profit from continuing operation attributable to the equity share holders | 90.61 | 138.19 | 69.44 | 1.01 |
| Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share | 90.61 | 138.19 | 69.44 | 1.01 |
| (c) Weighted average number of shares used as the denominator | | | | |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share* | 7,65,158 | 7,65,158 | 7,65,158 | 1,08,200 |
| At present, the Company does not have any dilutive potential equity | | | | |

*Face Value per share in FY 2021-22 is Rs 1 each and in FY 2022-23, FY 2023-24 and period ended September 30, 2024 is Rs 10

Annexure 30 - In terms of Section 22 of Chapter V of Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), the disclosures of payments due to any supplier are as follows:

| Particulars | As at | | | |
|---|-----------|-----------|-----------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| The principal amount and the interest due thereon remaining unpaid to any MSME supplier as | | | | |
| - Trade payables | - | - | - | - |
| - Interest due on above | - | - | - | - |
| | - | - | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - | - | - |
| The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period. | - | - | - | - |
| The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the Interests pecified under the MSMED Act, 2006. | - | - | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of dis allowance as a deductible under section 23 of the MSMED Act 2006. | - | - | - | - |

The Company is in the process of identifying Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, it is not possible for the Company to ascertain whether payment to such enterprises has been done within 45 days from the date of acceptance of supply of goods or services rendered by such enterprises and to make requisite disclosure except as disclosed above.

Annexure 31 - Restated statement of Related Party Disclosures

A. List of related parties where control exists and/or with whom transactions have taken place

In accordance with the requirements of Ind AS 24 on Related party disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and

| Relationship | Name of related party |
|---------------------------------------|--|
| Key Management Personnel (KMP) | Mr. Rajesh Singla (CFO) |
| Director | Mr. Amritpal Singh Gill (Till May 28, 2022) |
| | Mr. Ajay Kumar Jain (Till September 27, 2021) |
| | Mr. Vijay Mishra (Till September 27, 2021) |
| | Mr. Amandeep Singh (Till May 28, 2022) |
| | Mr. Harinderpal Singh Sodhi (From 16 August 2021) |
| | Mr. Harish Kumar (From 16 August 2021) |
| | Mrs. Deepika (w.e.from May 28, 2022) |
| Relatives of KMPs | Harvinder Kaur (Wife of Harinderpal Singh Sodhi (Director)) |
| | Kuldeep Kaur (Wife of Amritpal Singh Gill Till May 28, 2022) |

B. Details of related party transactions are as below:

| Particulars | For the period/year ended | | | |
|--|---------------------------|--------------|--------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| 1. Loan taken from | | | | |
| Amandeep Singh | - | - | - | 10.00 |
| Amritpal Singh Gill | - | - | - | 10.00 |
| Harinderpal Singh | - | - | - | 5.00 |
| Harish Kumar | - | - | - | 5.00 |
| Total | - | - | - | 30.00 |
| 2. Loan repaid to | | | | |
| Amandeep Singh | - | - | 10.00 | - |
| Amritpal Singh Gill | - | - | 10.00 | - |
| Harinderpal Singh | - | - | 5.00 | - |
| Harish Kumar | - | - | 5.00 | - |
| Total | - | - | 30.00 | - |
| 3. Salary/ remuneration given to Directors and KMPs | | | | |
| Harinderpal Singh Sodhi | 4.32 | 5.40 | 7.35 | - |
| Harish Kumar | 4.32 | 5.40 | 7.35 | - |
| Rajesh Singla | 2.40 | 4.80 | 1.12 | - |
| Harvinder Kaur | 3.60 | 6.00 | 6.00 | - |
| Deepika | 3.60 | 4.50 | 6.00 | - |
| Shruti jain | 2.40 | 4.80 | 1.12 | - |
| Amandeep Singh | - | - | 0.75 | - |
| Amritpal Singh Gill | - | - | 0.75 | - |
| Total | 20.64 | 30.90 | 30.44 | - |

C. Balance outstanding with or from related parties as at:

| Particulars | As at | | | |
|--|-------------|-----------|--------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| 1. Director Remuneration Payables | | | | |
| Amandeep Singh | - | - | - | 0.75 |
| Amritpal Singh Gill | - | - | - | 0.75 |
| Deepika | 0.44 | - | - | 0.50 |
| Harinderpal Singh Sodhi | 0.52 | - | 6.75 | 0.75 |
| Rajesh Singla | - | - | - | - |
| Harvinder Kaur | 0.44 | - | - | 0.50 |
| Kuldeep Kaur | - | - | - | 0.50 |
| Harish Kumar | 0.52 | - | 6.75 | 0.75 |
| | 1.92 | - | 13.50 | 4.50 |
| 2. Borrowings (Current) | | | | |
| Amandeep Singh | - | - | - | 10.00 |
| Amritpal Singh Gill | - | - | - | 10.00 |
| Harinderpal Singh | - | - | - | 5.00 |
| Harish Kumar | - | - | - | 5.00 |
| Total | - | - | - | 30.00 |

Annexure 32 - Restated Statement of Operating Segments

A. Basis for Segmentation

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure. The chief operating decision maker identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The Board of Directors examines the Company's performance from business activities perspective and have identified the following reportable segments of its business:

Reportable segments

Knitted Clothes
Online Retail Sale- Silver Ornaments

Operations

The Company operates in the wholesale trading of knitted cloth
The Company operates in the online retail business of silver ornaments

B. Information about reportable segments

Segment assets, segment liabilities and Segment profit and loss are measured in the same way as in the financial statements.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing, if any, is determined on an arm's length basis.

| For the period ended September 30, 2024 | Reportable Segments | | | |
|---|---------------------|-----------|-------------|-----------------|
| | Knitted Clothes | Ornaments | Unallocable | Total |
| Segment revenue - revenue from external customers | 1,499.87 | 1.06 | - | 1,500.93 |
| Segment results | 1,546.87 | 1.06 | - | 1,547.93 |
| Segment assets | 962.11 | - | 126.98 | 1,089.09 |
| Segment liabilities | 512.83 | - | 170.96 | 683.80 |

| For the year ended March 31, 2024 | Reportable Segments | | | |
|---|---------------------|-----------|-------------|-----------------|
| | Knitted Clothes | Ornaments | Unallocable | Total |
| Segment revenue - revenue from external customers | 2,126.18 | 79.80 | - | 2,205.98 |
| Segment results | 227.00 | 38.31 | - | 265.31 |
| Segment assets | 306.26 | 44.54 | 133.81 | 484.61 |
| Segment liabilities | 39.10 | - | 130.82 | 169.91 |

| For the year ended March 31, 2023 | Reportable Segments | | | |
|---|---------------------|-----------|-------------|-----------------|
| | Knitted Clothes | Ornaments | Unallocable | Total |
| Segment revenue - revenue from external customers | 1,223.31 | 246.89 | - | 1,470.20 |
| Segment results | 98.94 | 66.45 | - | 165.39 |
| Segment assets | 229.22 | 43.43 | 74.24 | 346.89 |
| Segment liabilities | 144.45 | 0.31 | 25.64 | 170.40 |

| For the year ended March 31, 2022 | Reportable Segments | | | |
|---|---------------------|-----------|-------------|--------------|
| | Knitted Clothes | Ornaments | Unallocable | Total |
| Segment revenue - revenue from external customers | 24.56 | 4.31 | - | 28.87 |
| Segment results | 0.29 | 1.40 | - | 1.69 |
| Segment assets | 25.79 | - | 31.87 | 57.66 |
| Segment liabilities | 25.48 | - | 30.53 | 56.01 |

Reconciliations of information on reportable segments

| (i) Revenues | For the period/year ended | | | |
|--|---------------------------|-----------------|-----------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Total revenue for reportable segments | | | | |
| Knitted Clothes | 1,499.87 | 2,126.18 | 1,223.31 | 24.56 |
| Ornaments | 1.06 | 79.80 | 246.89 | 4.31 |
| Total | 1,500.93 | 2,205.98 | 1,470.20 | 28.87 |

| (ii) Total comprehensive income | For the period/year ended | | | |
|--|----------------------------------|------------------|------------------|------------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Total profit before tax for reportable segments | | | | |
| Knitted Clothes | 208.12 | 227.00 | 98.94 | 0.29 |
| Ornaments | 1.06 | 38.31 | 66.45 | 1.40 |
| | 209.18 | 265.31 | 165.39 | 1.69 |
| Other income | - | 0.00 | 0.01 | - |
| Unallocated expenses: | | | | |
| Finance costs | 4.82 | 6.64 | 33.89 | - |
| Employee benefit expense | 35.56 | 37.06 | 1.94 | - |
| Depreciation and amortisation expense | 14.48 | 9.35 | 2.75 | 0.00 |
| Other expenses | 28.42 | 18.18 | 32.29 | 0.35 |
| | 125.90 | 194.08 | 94.53 | 1.34 |
| Profit before exceptional items and tax | 125.90 | 194.08 | 94.53 | 1.34 |
| Less: Exceptional items | - | - | - | - |
| Profit before tax | 125.90 | 194.08 | 94.53 | 1.34 |
| Tax expenses | 35.29 | 55.90 | 25.09 | 0.33 |
| Profit after tax | 90.61 | 138.18 | 69.44 | 1.01 |
| Other comprehensive income/(loss) | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| - Remeasurement of equity instruments | - | - | - | - |
| - Remeasurement of defined benefit plans | - | - | - | - |
| - Income tax relating to these items | - | - | - | - |
| Total comprehensive income | 90.61 | 138.18 | 69.44 | 1.01 |

| (iii) Assets | As at | | | |
|---|------------------|------------------|------------------|------------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Total assets for reportable segments | | | | |
| Knitted Clothes | 962.11 | 306.26 | 229.22 | 25.79 |
| Ornaments | - | 44.54 | 43.43 | - |
| Unallocated assets | | | | |
| Property plant and equipments | 85.01 | 94.63 | 17.28 | 2.58 |
| Intangible asset | 0.24 | 0.29 | 0.47 | - |
| Other financial asset | 0.22 | 0.22 | 1.01 | - |
| Deferred tax assets | 2.56 | 0.53 | 0.25 | - |
| Other non current asset | - | - | 10.98 | 9.75 |
| Cash and cash equivalent | 1.08 | 25.98 | 34.00 | 14.13 |
| Other current asset | 37.87 | 12.16 | 10.25 | 5.40 |
| Total assets | 1,089.09 | 484.61 | 346.89 | 57.65 |

| (iv) Liabilities | As at | | | |
|--|---------------|---------------|---------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Total liabilities for reportable segments | | | | |
| Knitted Clothes | 512.83 | 39.10 | 144.45 | 25.48 |
| Ornaments | - | - | 0.31 | - |
| Unallocated liabilities | | | | |
| Borrowings | 72.02 | 71.50 | - | 30.00 |
| Other financial liability | 3.27 | - | - | 0.20 |
| Deferred tax liability | - | - | - | 0.03 |
| Other current liabilities | 1.93 | 2.56 | 0.28 | - |
| Current tax liabilities | 93.74 | 56.77 | 25.37 | 0.30 |
| Total | 683.79 | 169.91 | 170.41 | 56.01 |

For the period ended Septemeber 30, 2024

| (v) Customers having reportable sale more than 10% | Reportable Segments | | | |
|--|---------------------|-------------|-------------|---------------|
| | Knitted Clothes | Ornaments | Unallocable | Total |
| Customer 1 | 381.51 | 1.06 | - | 382.57 |
| Customer 2 | 290.77 | - | - | 290.77 |
| Customer 3 | 258.79 | - | - | 258.79 |
| Total | 931.07 | 1.06 | - | 932.13 |

Annexure 33 - Restated Statement of Fair Value Measurement and Financial Instruments

a). Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 30-Sep-2024

| Particulars | Carrying value | | | Fair value measurement using | | |
|------------------------------|----------------|----------------|---------------|------------------------------|---------|---------|
| | FVTOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Current | | | | | | |
| Cash and cash equivalents | - | 1.08 | 1.08 | - | - | - |
| Trade receivables | - | 744.62 | 744.62 | - | - | - |
| Other financial assets | - | 0.22 | 0.22 | - | - | - |
| Total | - | 745.92 | 745.92 | - | - | - |
| Financial liabilities | | | | | | |
| Current | | | | | | |
| Borrowings | - | 72.02 | 72.02 | - | - | - |
| Trade payables | - | 512.83 | 512.83 | - | - | - |
| Other financial liabilities | - | 3.27 | 3.27 | - | - | - |
| Total | - | 588.12 | 588.12 | - | - | - |

As at 31-Mar-2024

| Particulars | Carrying value | | | Fair value measurement using | | |
|------------------------------|----------------|----------------|---------------|------------------------------|---------|---------|
| | FVTOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Current | | | | | | |
| Cash and cash equivalents | - | 25.98 | 25.98 | - | - | - |
| Trade receivables | - | 306.26 | 306.26 | - | - | - |
| Other financial assets | - | 0.22 | 0.22 | - | - | - |
| Total | - | 332.47 | 332.47 | - | - | - |
| Financial liabilities | | | | | | |
| Current | | | | | | |
| Borrowings | - | 71.50 | 71.50 | - | - | - |
| Trade payables | - | 39.10 | 39.10 | - | - | - |
| Total | - | 110.60 | 110.60 | - | - | - |

As at 31-Mar-2023

| Particulars | Carrying value | | | Fair value measurement using | | |
|------------------------------|----------------|----------------|---------------|------------------------------|----------|----------|
| | FVTOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Current | | | | | | |
| Cash and cash equivalents | - | 34.00 | 34.00 | - | - | - |
| Trade receivables | - | 210.94 | 210.94 | - | - | - |
| Other financial assets | - | 1.01 | 1.01 | - | - | - |
| Total | - | 245.95 | 245.95 | - | - | - |
| Financial liabilities | | | | | | |
| Current | | | | | | |
| Trade payables | - | 144.75 | 144.75 | - | - | - |
| Total | - | 144.75 | 144.75 | | | |

As at 31-Mar-2022

| Particulars | Carrying value | | | Fair value measurement using | | |
|------------------------------|----------------|----------------|--------------|------------------------------|---------|---------|
| | FVTOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | | | |
| Current | | | | | | |
| Cash and cash equivalents | - | 14.13 | 14.13 | - | - | - |
| Trade receivables | - | 25.79 | 25.79 | - | - | - |
| Total | - | 39.92 | 39.92 | | | |
| Financial liabilities | | | | | | |
| Current | | | | | | |
| Trade payables | - | 25.48 | 25.48 | - | - | - |
| Borrowings | - | 30.00 | 30.00 | - | - | - |
| Other financial liabilities | - | 0.20 | 0.20 | | | |
| Total | - | 55.68 | 55.68 | | | |

Annexures to the Restated Financial Statements

(All amounts are in lakhs unless stated otherwise)

Fair value hierarchy

Level 1: It includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

The carrying amounts of trade receivables, cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. Fair value of financial assets and financial liabilities is similar to the carrying value as there is no significant differences between carrying value and fair value.

b). Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i). Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

| Particulars | As at | | | |
|---------------------------|-----------|-----------|-----------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Trade receivables | 744.62 | 306.26 | 210.94 | 25.79 |
| Cash and cash equivalents | 1.08 | 25.98 | 34.00 | 14.13 |

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's credit risk is primarily to the amount due from customers and loans. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with scheduled commercial banks with high credit ratings assigned by domestic credit rating agencies.

The Company has not applied expected credit loss model as per Ind AS 109 used to assess the impairment loss or gain on trade receivables. However the Company based upon historical experience determines an impairment allowance for loss on receivables.

When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

The gross carrying amount of trade receivables is 744.62 Lacs (PY: 31 March 24: Rs.306.26 Lacs). Trade receivables are generally realised within the credit period.

The Company's exposure to credit risk for trade receivables are as follows:

| Particulars | As at | | | |
|-------------------------|---------------|---------------|---------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Not due | - | - | - | - |
| 0-90 days past due | 505.86 | 247.56 | 131.10 | 25.79 |
| 90 to 180 days past due | 76.55 | 42.92 | 26.77 | - |
| 180-365 days | 154.06 | - | 53.06 | - |
| 365-730 days | 8.15 | 16.15 | - | - |
| More than 730 days | - | - | - | - |
| Total | 744.62 | 306.63 | 210.93 | 25.79 |

| Movement in the allowance for impairment in respect of trade receivables: | For the period/year ended | | | |
|---|---------------------------|-----------|-----------|-----------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Balance at the beginning | - | - | - | - |
| Impairment loss recognised | - | - | - | - |
| Balance at the end | - | - | - | - |

(ii). Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position of Rs. 1.08 Lacs (PY: 31 March 2024: Rs. 25.98 Lacs) and the anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and funding from Company companies to meet its liquidity requirements in the short and long term.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.

Exposure to liquidity risk

Following are the remaining contractual maturities of financial liabilities at the reporting date.

As at 30-Sep-2024

| Particulars | Carrying amount | Contractual cash flows | | | Total |
|----------------|-----------------|------------------------|---------------------------|----------------------|---------------|
| | | Less than one year | Between one to five years | More than five years | |
| Borrowings | 72.02 | 72.02 | - | - | 72.02 |
| Trade payables | 512.83 | 512.83 | - | - | 512.83 |
| Total | 584.86 | 584.86 | - | - | 584.86 |

As at 31-Mar-2024

| Particulars | Carrying amount | Contractual cash flows | | | Total |
|----------------|-----------------|------------------------|---------------------------|----------------------|---------------|
| | | Less than one year | Between one to five years | More than five years | |
| Borrowings | 71.50 | 71.50 | - | - | 71.50 |
| Trade payables | 39.10 | 38.60 | 0.50 | - | 39.10 |
| Total | 110.60 | 110.10 | 0.50 | - | 110.60 |

As at 31-Mar-2023

| Particulars | Carrying amount | Contractual cash flows | | | |
|----------------|-----------------|------------------------|---------------------------|----------------------|---------------|
| | | Less than one year | Between one to five years | More than five years | Total |
| Borrowings | - | - | - | - | - |
| Trade payables | 144.75 | 144.75 | - | - | 144.75 |
| Total | 144.75 | 144.75 | - | - | 144.75 |

As at 31-Mar-2022

| Particulars | Carrying amount | Contractual cash flows | | | |
|----------------|-----------------|------------------------|---------------------------|----------------------|--------------|
| | | Less than one year | Between one to five years | More than five years | Total |
| Borrowings | 30.00 | 30.00 | - | - | 30.00 |
| Trade payables | 25.48 | 25.48 | - | - | 25.48 |
| Total | 55.48 | 55.48 | - | - | 55.48 |

(iii). Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Since the company do not have any Loan from Banks, it does not attract

Annexure 32 - Restated Statement of Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares. The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

| Particulars | As at | | | |
|---|---------------|---------------|----------------|----------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Borrowings | 72.02 | 71.50 | - | 30.00 |
| Less: Cash and bank balances | (1.08) | (25.98) | (34.00) | (14.13) |
| Adjusted net debt (A) | 70.94 | 45.52 | (34.00) | 15.87 |
| Total equity (B) | 405.30 | 314.68 | 176.49 | 1.66 |
| Adjusted net debt to adjusted equity ratio (A/B) | 17.50% | 14.47% | 0.00% | 957.56% |

Annexure 35 - Restated Statement of Accounting Ratios

| Sr. No. | Particulars | Calculation | As at | | | |
|---------|-------------------------------|--|-----------|-----------|-----------|-----------|
| | | | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| 1 | Return on E equity | Restated net income/ Restated shareholder equity | 21.51% | 43.91% | 39.34% | 61.33% |
| 2 | Debt E equity Ratio | Restated total debts/ Restated total | 0.18 | 0.23 | - | 18.14 |
| 3 | E arning per share | E arning available for E quity S hareholder/ Weighted average no. of S hare outstanding during the period | 11.39 | 18.06 | 9.07 | 0.94 |
| 4 | Current Ratio | Restated current asset/ Restated current liability | 1.46 | 2.29 | 1.86 | 0.81 |
| 5 | Liquid Ratio | (Total restated current asset- Restated inventory- Restated prepaid expense)/ Restated current liabilities | 1.15 | 2.03 | 1.50 | 0.81 |
| 6 | Return on Capital employed | Restated E BIT/ Restated capital employed | 31.06% | 61.68% | 53.56% | 81.43% |
| 7 | Net Profit to S ales | Restated profit after tax/ Restated sale | 5.81% | 6.26% | 4.72% | -23.56% |
| 8 | Debtors turnover Ratio | Restated credit sales/ Restated average trade receivables | 2.86 | 8.53 | 12.42 | -0.24 |
| 9 | Creditors turnover Ratio | Restated credit purchase/ Restated average trade payables | 0.00 | 20.92 | 16.05 | -0.24 |

Annexure 36 - Restated Statement of Capitalisation

| Particulars | Pre offer as at 30-Sep-2024 | Post Issue |
|--|--------------------------------|------------|
| Debt: | | |
| Long-term Borrowings | - | - |
| Short-term Borrowings | 72.02 | - |
| Current maturities of long term borrowing | - | - |
| Total Debt (A) | 72.02 | - |
| Shareholders Fund: | | |
| Equity share capital | 76.52 | - |
| Reserves and Surplus | 328.77 | - |
| Total Shareholders Fund (B) | 405.29 | - |
| Total Debt /Shareholders Fund (A/B) | 0.18 | - |

Annexures to the Restated Financial Statements

(All amounts are in lakhs unless stated otherwise)

Annexure 37 - Restated Statement of Income Taxes

| A. Particulars | For the period/year ended | | | |
|--|---------------------------|--------------|--------------|-------------|
| | 30-Sep-24 | 31-Mar-24 | 31-Mar-23 | 31-Mar-22 |
| Income tax expense | | | | |
| Current tax | 37.31 | 56.18 | 25.38 | 0.30 |
| Income tax for earlier years | - | - | - | - |
| Deferred tax expense | | | | |
| Change in recognised temporary differences | (2.03) | (0.28) | (0.28) | 0.03 |
| | 35.29 | 55.90 | 25.10 | 0.33 |

B. Reconciliation of effective tax rate

| Particulars | For the period/year ended | | | |
|---|---------------------------|--------------|-----------|--------------|
| | 30-Sep-24 | | 31-Mar-24 | |
| | Rate | Amount | Rate | Amount |
| Profit before tax | | 125.90 | | 194.08 |
| Tax using the Company's domestic tax rate (A) | 26.00% | 32.73 | 26.00% | 50.46 |
| Tax effect of: | | | | |
| Temporary differences | | 2.55 | | 5.44 |
| Income tax for earlier years | | - | | - |
| Total (B) | | 2.55 | | 5.44 |
| (A)+(B) | | 35.28 | | 55.90 |

C. Movement in deferred tax balances

| Particulars | As at 31-Mar-2024 | Recognised in P&L | Recognised in OCI | As at 30-Sep-2024 |
|--|----------------------|----------------------|----------------------|----------------------|
| Deferred tax assets | | | | |
| Unabsorbed losses | - | - | - | - |
| Property, plant and equipments and Intangibles | 0.53 | 2.03 | - | 2.56 |
| Trade receivables | - | - | - | - |
| Total | 0.53 | 2.03 | - | 2.56 |
| Deferred tax liabilities | | | | |
| Employee benefits | - | - | - | - |
| Investments (non-current) | - | - | - | - |
| Total | - | - | - | - |
| Deferred tax assets (net) | 0.53 | 2.03 | - | 2.56 |

| Particulars | As at 31-Mar-2023 | Recognised in P&L | Recognised in OCI | As at 31-Mar-2024 |
|--|----------------------|----------------------|----------------------|----------------------|
| Deferred tax assets | | | | |
| Unabsorbed losses | - | - | - | - |
| Property, plant and equipments and Intangibles | 0.25 | 0.28 | - | 0.53 |
| Trade receivables | - | - | - | - |
| Total | 0.25 | 0.28 | - | 0.53 |
| Deferred tax liabilities | | | | |
| Employee benefits | - | - | - | - |
| Investments (non-current) | - | - | - | - |
| Total | - | - | - | - |
| Deferred tax assets (net) | 0.25 | 0.28 | - | 0.53 |

| Particulars | As at 31-Mar-2022 | Recognised in P&L | Recognised in OCI | As at 31-Mar-2023 |
|--|----------------------|----------------------|----------------------|----------------------|
| Deferred tax assets | | | | |
| Unabsorbed losses | - | - | - | - |
| Property, plant and equipments and Intangibles | (0.03) | 0.28 | - | 0.25 |
| Trade receivables | - | - | - | - |
| Total | (0.03) | 0.28 | - | 0.25 |
| Deferred tax liabilities | | | | |
| Employee benefits | - | - | - | - |
| Investments (non-current) | - | - | - | - |
| Total | - | - | - | - |
| Deferred tax assets (net) | (0.03) | 0.28 | - | 0.25 |

Annexure 38 - Restated Statement of Other Statutory Compliances

Details with respect to the Benami Properties:

No proceedings have been initiated or pending against the entity under the Benami Transactions (prohibition) Act, 1988.

Undisclosed income:

The Company does not have transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Crypto currency:

The Company have not traded or invested in Crypto currency or Virtual Currency.

Struck off companies:

The Company do not have any transactions with companies struck off.

Charge Registered with Registrar of Charges (ROC):

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall

- a** directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b** provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company does not receive any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

- a** directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b** provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Previous year's figures

Previous year's figures have been regrouped/reclassified as per the current year's presentation for the purpose of comparability.

As per our report of even date.

For NKSC & Co.

Chartered Accountants
Firm Registration No. 020076N

For and on behalf of the Board of Directors of
Avax Apparels and Ornaments Limited

Priyank Goyal

Partner
Membership No.: 521986
ICAI UDIN No. 24521986BKFKA7263

Harish Kumar

Director
DIN-09283531

Harinderpal Singh Sodhi

Director
DIN-09283654

Rajesh Singla

CFO
PAN No. CNOPS7915R

Shruti Jain

Company Secretary
M.No. 52018

Place: Delhi
Date: 28-Oct-2024

Place: Delhi
Date: 28-Oct-2024

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Avax Apparels and Ornaments Limited
(Formerly Known as Avax Soft Technologies Limited)
611- 6th Floor, Jaina Tower II,
District Centre, Janakpuri,
Delhi -110058

Sub: Statement of Possible Special Tax Benefits Available to the Company and its shareholders prepared in accordance with the requirements under Schedule VI-PART A, Clause (9) (L) of the SEBI (ICDR) Regulations, 2018, as amended (the "Regulations")

Dear Sirs,

We hereby report that the enclosed annexure prepared by the management of **Avax Apparels and Ornaments Limited**, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and its subsidiary and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that 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 proposed initial public offering of Equity shares ("the Issue") by the Company.

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
3. the revenue authorities courts will concur with the views expressed herein.

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.

No assurance is given that the revenue authorities/Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For, M/s. NKSC & Co.

Chartered Accountants

Firm Registration No.: 020076N

CA Priyank Goyal

Partner

Membership No.: 521986

UDIN: 24521986BKFKZG2422

Date: 28 October 2024

Place: New Delhi

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

A. SPECIAL TAX BENEFITS TO THE COMPANY: NIL

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER: NIL

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. 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. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

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STATEMENT OF FINANCIALS INDEBTEDNESS

To,
The Board of Directors,
Avax Apparels and Ornaments Limited
(Formerly Known as Avax Soft Technologies Limited)
611- 6th Floor, Jaina Tower II,
District Centre, Janakpuri,
Delhi -110058

Dear Sir,

Below is the summary of loans outstanding as at 30 September 2024 in the books of accounts of **Avax Apparels and Ornaments Limited**.

| Name of Lender | Loan agreement/Ac. No. | Purpose | Rate of Interest | Sanctioned Amount | Outstanding amount as at 30 September 2024 |
|----------------|------------------------|-----------------|------------------|-------------------|--|
| Yes Bank | Overdraft Facility | Working Capital | 10.5% | 154 lakhs | 72.02 lakhs |

Security details:

| Security/ Collateral Type | Security details | Facilities applicable | Cross Collateral details |
|---------------------------|---|-----------------------|--------------------------|
| Government Guarantee | CGTMSE- Hybrid | 44 lacs | NA |
| Personal Guarantee | Harinderpal Singh Sodhi | 154 lakhs | NA |
| Personal Guarantee | Harish Kumar | 154 lakhs | NA |
| Personal Guarantee | Deepika | 154 lakhs | NA |
| Personal Guarantee | Kirpal Singh | 154 lakhs | NA |
| Property | Exclusive Charge - on property situated at Property Unit No.B-011/1900,B-011/1900-01, Amar Colony, Street No.2, Chaju Roshan Da, Karkhana, Anaj Mandi Road Barnala, Tehsil & Distt Barnala, Barnala, Punjab- 148101 | 110 lakhs | NA |
| Property | Exclusive Charge - on property situated at KILLA No-21/3(3-10)22/2, (5-7)24/2(5-7)25/2(5-7) Vakya Rakba Gas Agency Road, Muktsar, Muktsar, Punjab- 152026 | 110 lakhs | NA |
| Current Assets | Exclusive Charge on stock | 154 lakhs | NA |
| Current Assets | Exclusive Charge on book debts | 154 lakhs | NA |

For, M/s. NKSC & Co.
Chartered Accountants
Firm Registration No.: 020076N

CA Priyank Goyal
Partner
Membership No.: 521986
UDIN: 24521986BKFKZH7552
Date: 28 October, 2024
Place: New Delhi

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OTHER FINANCIAL INFORMATION

| Particulars | Half Year Ended | Financial year ended | | |
|---|--------------------|----------------------|----------------|----------------|
| | September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| EBITDA (Rs Lakhs) | 145.20 | 210.07 | 99.22 | 1.35 |
| Earning Per share (EPS): | | | | |
| Basic* | 11.84 | 18.06 | 9.07 | 9.37 |
| Diluted* | 11.84 | 18.06 | 9.07 | 9.37 |
| Return on Net Worth (RONW %) | 21.51% | 43.91% | 39.34% | 61.21% |
| Net Asset Value per Share (NAV)* | 52.97 | 41.13 | 23.07 | 15.31 |

**Adjusted FY2021 & FY2022 by consolidating FV Rs 1 to Rs 10 for fair comparison*

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the period ended 30th September 2024, 31st March 2024, 31st March 2023 and 31st March 2022. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section titled "Restated Financial Information" on page 137 of the Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 16 of this Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the chapter titled "Forward-Looking Statements" of this Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to AAOL, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for period ended 30th September 2024, 31st March 2024, 31st March 2023 and 31st March 2022 included in this Prospectus beginning on page 137 of this Prospectus.

BUSINESS OVERVIEW

Our Company was originally incorporated on June 2, 2005 as a private limited Company under the name and style of "Ethnic Designers Private Limited" under the provisions of Companies Act, 1956 with the Registrar of Companies, NCT of Delhi & Haryana vide CIN U51311DL2005PTC137127. Pursuant to shareholders' resolution passed at Extra Ordinary General Meeting held on September 06 September, 2021 the Object of the Company was changed vide a fresh Certificate of Incorporation dated October 4, 2021 issued by Registrar of Companies, NCT of Delhi & Haryana vide CIN U51100DL2005PTC137127. Pursuant to shareholders' resolution passed at Extra Ordinary General Meeting held on September 6, 2021 the name of the Company was changed to Avax Soft Technologies Private Limited vide a fresh Certificate of Incorporation dated October 11, 2021 issued by Registrar of Companies, NCT of Delhi & Haryana. Pursuant to shareholders' resolution passed at Extra Ordinary General Meeting held on November 09, 2022 our Company was converted into a Public Limited Company and the name of the Company was changed to Avax Soft Technologies Limited vide a fresh Certificate of Incorporation dated November 18, 2022 issued by Registrar of Companies, NCT of Delhi & Haryana vide CIN U5110DL2005PLC137127. Further pursuant to shareholders' resolution passed at Extra Ordinary General Meeting held on May 08, 2023, Object of the Company was changed vide a fresh Certificate of Incorporation dated May 15, 2023 and the name of the Company was changed to Avax Apparels and Ornaments Limited vide a fresh Certificate of Incorporation dated June 15, 2023 issued by Registrar of Companies, NCT of Delhi & Haryana vide CIN U14101DL2005PLC137127.

The Company engages in two distinct lines of business:

- Wholesale trading
- Online retail of silver ornaments

Wholesale trading:

The Company operates in the wholesale trading of knitted cloth. They directly buy from manufacturers and supply wholesale to companies and readymade garment manufacturers in Punjab. The company specializes in knitted cloth, which are used for manufacturing of ladies and gents' jackets.

The company's key advantages in wholesale trading include a geographical advantage, being located in the hub of cloth manufacturing. Additionally, the growing demand for these products and the strong business relationships of the management also contribute to the company's success in this segment.

Online retail silver ornaments business:

The Company operates in the online retail business of silver ornaments. They offer a wide range of designs and articles with a choice of weight of products, such as silver rings, silver ladies pajebe, silver gents kada, silver plate set, silver glass, silver bangles, silver bowls, silver chains, and other silver jewellery. They are capable of supplying in all major cities across the country.

The company's key advantages in this business include operating in the affordable silver ornaments sector, an increase in demand for silver ornaments in Indian markets, the ability to replicate gold jewellery designs in silver, and access to exclusive Punjabi ethnic designs.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR AND STUB PERIOD

As per mutual discussion between the Board of the Company and Lead Manager, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- *The Company has purchased machineries from M/s Saini exports for manufacturing of knitted cloth.*

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to Annexure 2 of Restated Financial Statements under “Restated Financial Information” beginning on page 137 of this Prospectus.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 16 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Uncertainty in relation to the continuing effect of the COVID-19 pandemic on our business and operations.
2. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
3. Fail to attract, retain and manage the transition of our management team and other skilled & unskilled employees;
4. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
5. Ability to respond to technological changes;
6. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
7. Inability to successfully obtain registrations in a timely manner or at all;
8. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
9. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
10. Recession in the market;
11. Changes in laws and regulations relating to the industries in which we operate;
12. Effect of lack of infrastructure facilities on our business;
13. Our ability to successfully implement our growth strategy and expansion plans;
14. Our ability to meet our capital expenditure requirements;
15. Our ability to attract, retain and manage qualified personnel;
16. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
17. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
18. 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;

19. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
20. Conflicts of interest with affiliated companies, the promoter group and other related parties;
21. The performance of the financial markets in India and globally;
22. Any adverse outcome in the legal proceedings in which we are involved;
23. Our ability to expand our geographical area of operation;
24. Concentration of ownership among our Promoters

DISCUSSION ON THE RESULTS OF OPERATIONS

Key components of company's profit and loss statement:

Revenues

◆ Revenue from operations

Our Company's revenue is primarily generated from the business of trading of knitted cloth and online retail of silver ornaments.

◆ Other income

Our other income is almost negligible.

Expenditure

◆ Inventory

Being a trading company, raw material like knitted cloth and silver ornaments, etc. is inventory for our Company.

◆ Employment benefit expenses

It includes Salaries and wages and other expenses.

◆ Other expenses

It mainly includes business promotion expenses, travelling expenses, rent, inspection expenses, professional & legal charges, office expenses and other expenses.

◆ Finance costs

Our finance costs mainly include bank charges.

◆ Depreciation

Depreciation has been provided as per the useful life prescribed under schedule II of the Companies Act, 2013 on written down value (WDV) method on a pro rata basis.

SUMMARY OF MAJOR ITEMS OF INCOME AND EXPENDITURE

| Particulars | For the period/year ended | | | | | | | |
|---|---------------------------|---------------|-----------------|---------------|-----------------|---------------|--------------|---------------|
| | 30-Sep-24 | % of Revenue | 31-Mar-24 | % of Revenue | 31-Mar-23 | % of Revenue | 31-Mar-22 | % of Revenue |
| Income | | | | | | | | |
| Revenue from operations | 1,500.93 | 100.00 | 2,205.98 | 100.00 | 1,470.20 | 100.00 | 28.87 | 100.00 |
| Other income | - | | 0.00 | | 0.01 | 0.00 | - | |
| Total Income | 1,500.93 | 100.00 | 2,205.98 | 100.00 | 1,470.21 | 100.00 | 28.87 | 100.00 |
| Expenses | | | | | | | | |
| Cost of material consumed | 125.95 | 8.39 | - | - | - | - | - | |
| Purchases of stock-in-trade | 1,338.75 | 89.20 | 1,923.50 | 87.19 | 1,366.51 | 92.95 | 27.17 | 94.13 |
| Changes in inventories | (172.95) | (11.52) | 17.17 | 0.78 | (61.71) | (4.20) | - | |
| Employee benefit expense | 35.56 | 2.37 | 37.06 | 1.68 | 33.89 | 2.31 | - | |
| Finance cost | 4.82 | 0.32 | 6.64 | 0.30 | 1.94 | 0.13 | - | |
| Depreciation and amortisation expense | 14.48 | 0.96 | 9.35 | 0.42 | 2.75 | 0.19 | 0.00 | 0.00 |
| Other expenses | 28.42 | 1.89 | 18.18 | 0.82 | 32.29 | 2.20 | 0.35 | 1.20 |
| Total Expenses | 1,375.03 | 91.61 | 2,011.90 | 91.20 | 1,375.68 | 93.57 | 27.52 | 95.34 |
| Restated Profit before exceptional items and tax | 125.90 | 8.39 | 194.08 | 8.80 | 94.53 | 6.43 | 1.35 | 4.66 |
| Restated Profit before tax | 125.90 | 8.39 | 194.08 | 8.80 | 94.53 | 6.43 | 1.35 | 4.66 |
| Tax expense | | | | | | | | |
| Current tax | 37.31 | 2.49 | 56.18 | 2.55 | 25.38 | 1.73 | 0.30 | 1.04 |
| Deferred tax (benefit)/charge | (2.03) | (0.14) | (0.28) | (0.01) | (0.28) | (0.02) | 0.03 | 0.11 |
| Earlier year tax adjustment | - | - | - | - | - | - | - | |
| Total tax expense | 35.29 | 2.35 | 55.90 | 2.53 | 25.09 | 1.71 | 0.33 | 1.15 |
| Restated Profit after tax | 90.61 | 6.04 | 138.19 | 6.26 | 69.44 | 4.72 | 1.01 | 3.51 |
| Other comprehensive Income | | | | | | | | |
| Items that will not be reclassified to profit | | | | | | | | |
| - Remeasurement of defined benefit plans | - | | - | | - | | - | |
| - Income tax relating to these items | - | | - | | - | | - | |
| | - | | - | | - | | - | |
| Total Comprehensive Income, net of Tax | 90.61 | 6.04 | 138.19 | 6.26 | 69.44 | 4.72 | 1.01 | 3.51 |

| Particulars | For the period/year ended | | | | | |
|---|---------------------------|-----------------|----------------|-----------------|-----------------|--------------|
| | 30-Sep-24 | 31-Mar-24 | % increase | 31-Mar-23 | % increase | 31-Mar-22 |
| Income | | | | | | |
| Revenue from operations | 1,500.93 | 2,205.98 | 50.05% | 1,470.20 | 4992.74% | 28.87 |
| Other income | - | 0.00 | | 0.01 | | - |
| Total Income | 1,500.93 | 2,205.98 | 50.05% | 1,470.21 | 4992.77% | 28.87 |
| Expenses | | | | | | |
| Cost of material consumed | 125.95 | - | | - | | - |
| Purchases of stock-in-trade | 1,338.75 | 1,923.50 | 40.76% | 1,366.51 | 4928.64% | 27.17 |
| Changes in inventories | (172.95) | 17.17 | -127.83% | (61.71) | | - |
| Employee benefit expense | 35.56 | 37.06 | 9.35% | 33.89 | | - |
| Finance cost | 4.82 | 6.64 | 241.61% | 1.94 | | - |
| Depreciation and amortisation expense | 14.48 | 9.35 | 239.86% | 2.75 | | 0.00 |
| Other expenses | 28.42 | 18.18 | -43.69% | 32.29 | 9213.90% | 0.35 |
| Total Expenses | 1,375.03 | 2,011.90 | 46.25% | 1,375.68 | 4898.48% | 27.52 |
| Restated Profit before exceptional items and tax | 125.90 | 194.08 | 105.31% | 94.53 | 6919.89% | 1.35 |
| Restated Profit before tax | 125.90 | 194.08 | 105.31% | 94.53 | 6919.89% | 1.35 |
| Tax expense | | | | | | |
| Current tax | 37.31 | 56.18 | 121.39% | 25.38 | 8358.57% | 0.30 |
| Deferred tax (benefit)/charge | (2.03) | (0.28) | -1.72% | (0.28) | -974.12% | 0.03 |
| Earlier year tax adjustment | - | - | | - | | - |
| Total tax expense | 35.29 | 55.90 | 122.77% | 25.09 | 7450.70% | 0.33 |
| Restated Profit after tax | 90.61 | 138.19 | 99.01% | 69.44 | 6745.97% | 1.01 |
| Other comprehensive Income | | | | | | |
| Items that will not be reclassified to profit | | | | | | |
| - Remeasurement of defined benefit plans | - | - | | - | | - |
| - Income tax relating to these items | - | - | | - | | - |
| | - | - | | - | | - |
| | | | | | | |
| Total Comprehensive Income, net of Tax | 90.61 | 138.19 | 99.01% | 69.44 | 6745.97% | 1.01 |

HALF YEAR ENDED SEPTEMBER 30, 2024 ON ANNUALIZED BASIS COMPARED WITH YEAR ENDED MARCH 31, 2024

Revenue from Operation

Revenue from operations was ₹1,500.93 lakhs for the half year ended 30 September 2024. The change was primarily due to an increase in sales of knitted cloth.

The Company's Knitted cloth has better demand and acceptance in the market resulting in higher Sales Revenue.

Other Income

Other income was Nil for the period April to September 2024.

Purchase of Stock in Trade

Purchase of Stock in Trade is ₹1,338.75 Lakhs for the period April to September 2024. This change was primarily due to an increase in scale of operations in knitted cloth.

Changes in Inventory of Finished Goods, Work in Progress & Stock in Trade

The inventory has decreased by ₹172.95 Lakhs in period April to September 2024. This change was primarily due to inventory being utilized.

Employee Benefit Expenses

Employee benefit expenses was ₹35.56 lakhs in the period April to September 2024. This increase is due to increase in salaries and slight increase in workforce of the Company due to increase in business of the Company

Finance Costs

Finance Costs was ₹4.82 lakhs for the period April to September 2024. This was primarily due to interest costs on loan taken during the financial year.

Depreciation and Amortization Expenses

Depreciation was ₹14.48 lakhs for the period April to September 2024. The increase in depreciation is due to depreciation on Company assets acquired in FY 2023-24.

Other Expenses

Other expenses were ₹28.42 lakhs in the period April to September 2024. The increase is mainly due to increase in power & fuel costs due to start of manufacturing activity.

Tax Expenses

The Company's tax expenses was ₹35.29 lakhs for the period April to September 2024. This was primarily due to higher profit before tax during the financial year.

Profit after Tax

After accounting for taxes at applicable rates, our Company reported net profit of ₹90.61 lakhs for the period April to September 2024 compared to ₹138.19 lakhs in Fiscal March, 2024.

With growth in Revenues, the Company is seeing an increase in Net Profits of the Company. The Net Profit margin has also improved due to less than commensurate increase in Costs and expenses.

YEAR ENDED MARCH 31, 2024 COMPARED WITH YEAR ENDED MARCH 31, 2023

Revenue from Operation

Revenue from operations increased by 50.05% from ₹1,470.21 lakhs in Fiscal March, 2023 to ₹2,205.98 lakhs for the Fiscal March 2024. The change was primarily due to an increase in sales of knitted cloth.

The Company's Knitted cloth has better demand and acceptance in the market resulting in higher Sales Revenue.

Other Income

Other income was Nil for the period April to March 2024. There is no interest income received by the Company.

Purchase of Stock in Trade

Purchase of Stock in Trade had increased by 40.76% from ₹1366.51 lakhs in Fiscal March 2023 to ₹1,923.50 Lakhs for the period April to March 2024. This change was primarily due to an increase in scale of operations in knitted cloth.

Changes in Inventory of Finished Goods, Work in Progress & Stock in Trade

These Expenses had decreased from 61.71 Lakhs in Fiscal March, 2023 to ₹17.17 Lakhs in period April to March 2024. This change was primarily due to change in inventory.

Employee Benefit Expenses

Employee benefit expenses had increased by 9.35% from 33.89 Lakhs in Fiscal March 2023 to ₹ 37.06 lakhs in the period April to March 2024. This increase is due to increase in salaries and slight increase in workforce of the Company due to increase in business of the Company

Finance Costs

Finance Costs had increased from ₹1.94 lakhs in Fiscal Year ended March, 2023 to ₹6.64 lakhs in the period April to March 2024 This was primarily due to interest costs on loan taken during the financial year.

Depreciation and Amortization Expenses

Depreciation had increased from ₹2.75 Lakhs in Fiscal March, 2023 to ₹9.35 lakhs in the period April to March 2024. The increase in depreciation is due to depreciation on Company assets acquired in FY 2023-24.

Other Expenses

Other expenses had decreased by 43.69% from ₹32.29 lakhs in Fiscal March, 2023 to ₹18.18 lakhs in the period April to March 2024. The steep decline is on account of steep fall in legal and professional expenses, business promotion expenses, tours & travelling expenses and software expenses.

Tax Expenses

The Company's tax expenses had increased by 122.77% from ₹25.09 lakhs in the Fiscal March, 2023 to ₹55.90 lakhs for the period April to March 2024. This was primarily due to higher profit before tax during the financial year.

Profit after Tax

After accounting for taxes at applicable rates, our Company reported net profit of ₹138.19 lakhs for the period April to March 2024 compared to ₹69.44 lakhs in Fiscal March, 2023.

With growth in Revenues, the Company is seeing an increase in Net Profits of the Company. The Net Profit margin has improved to 6.27% of Revenues due to less than commensurate increase in Costs and expenses.

PERIOD ENDED MARCH 31, 2023 COMPARED WITH FISCAL 2022

Revenue from Operation

Revenue from operations had increased by 4,993% from ₹28.87 lakhs in Fiscal March, 2022 to ₹1,470.20 lakhs in the year ended March, 2023. The change was primarily due to an increase in sales of knitted cloth and the Company's foray into online sale of silver ornaments.

Other Income

Other income had increased by 0.01 lakhs from Nil in Fiscal March 2022 to ₹0.01 Lakhs due to increase in interest income & profit on sale of capital assets in the year ended March, 2023. The change was primarily due to interest income from our online/UPI payments provider portal.

Purchase of Stock in Trade

Purchase of Stock in Trade had increased by 4929% from ₹ 27.17 lakhs in Fiscal March 2022 to ₹1,366.51 Lakhs in the year ended March, 2023. This change was primarily due to an increase in scale of operations in knitted cloth and the Company's foray into online sale of silver ornaments.

Changes in Inventory of Finished Goods, Work in Progress & Stock in Trade

These Expenses had decreased by 61.71 Lakhs from Nil lakhs in Fiscal March, 2022 to ₹61.71 Lakhs year ended March, 2023. This change was primarily due to change in inventory.

Employee Benefit Expenses

Employee benefit expenses had increased by 33.89 Lakhs from Nil in Fiscal March 2022 to ₹ 33.89 lakhs in Fiscal Year ended March, 2023. This increase was primarily due to increase in the workforce of the Company due to business expansions and new business segments.

Finance Costs

Finance Costs had increased from ₹1.94 lakhs in Fiscal Year ended March, 2023 to Nil in Fiscal March, 2022. This was primarily due to higher bank/payment portal charges paid during the financial year.

Depreciation and Amortization Expenses

Depreciation had increased by 2.75 Lakhs from Nil in Fiscal March, 2022 to ₹2.75 lakhs in Fiscal 2022. Due to purchase of Company assets.

Other Expenses

Other expenses had increased by 9214% from ₹0.35 lakhs in Fiscal March, 2022 to ₹32.29 lakhs in Fiscal March, 2023. This change was primarily due to promotion and other business sales expenses.

Tax Expenses

The Company's tax expenses had increased by 7451% from ₹0.33 lakhs in the Fiscal March, 2022 to ₹25.09 lakhs in Fiscal March, 2023. This was primarily due to higher profit before tax during the financial year.

Profit after Tax

After accounting for taxes at applicable rates, our Company reported an increase in a net profit by 6746% to ₹69.44 lakhs in Fiscal March, 2023 as compared to a net profit of ₹ 1.01 lakhs in Fiscal March, 2022.

FISCAL 2022 COMPARED WITH FISCAL 2021

Revenue from Operation

Revenue from operations had increased by ₹28.87 Lakhs from Nil in Fiscal 2021 to ₹28.87 Lakhs in Fiscal 2022 was due to change in management, whose efforts resulted in a sharp increase in sale of knitted cloth.

Other Income

Other income had decreased by ₹ 0.51 Lakhs from ₹ 0.51 lakhs in Fiscal 2021 to Nil Lakhs in Fiscal 2022. This decrease was primarily due to one-time business non-recurring income in Fiscal 2021.

Purchase of Stock in Trade

Purchase of Stock in Trade had increased by ₹27.17 Lakhs from Nil in Fiscal 2021 to ₹27.17 Lakhs in the Fiscal 2022. This change was primarily due to increased operations.

Changes in Inventory of Finished Goods, Work in Progress & Stock in Trade

There was no change in Fiscal 2021 compared to Fiscal 2022.

Employee Benefit Expenses

There was no change in Fiscal 2021 compared to Fiscal 2022.

Finance Costs

There was no change in Fiscal 2021 compared to Fiscal 2022.

Depreciation and Amortization Expenses

There was no change in Fiscal 2021 compared to Fiscal 2022.

Other Expenses

Other expenses had increased by 400.00% from ₹ 0.07 lakhs in Fiscal 2021 to ₹ 0.35 lakhs in Fiscal 2022. The increase was primarily due to increase in business promotion expenses.

Tax Expenses

The Company's tax expenses had increased by ₹0.33 from Nil in the Fiscal 2021 to ₹0.33 lakhs in Fiscal 2022. This was primarily due to profit before tax during the Financial Year.

Profit after Tax

After accounting for taxes at applicable rates, our Company reported an increase of 124.44% in the net profit from ₹1.01 Lakhs in Fiscal 2022 as compared to a net profit of ₹0.45 in Fiscal 2021.

Cash Flows

(₹ in lakhs)

| Particulars | Half year ended | For the year ended March 31, | | |
|------------------------------------|-----------------|------------------------------|---------|---------|
| | 30-Sep-2024 | 2024 | 2023 | 2022 |
| Net Cash from Operating Activities | (20.19) | 10.95 | (35.67) | (13.98) |
| Net Cash from Investing Activities | (4.80) | (86.52) | (17.91) | (2.58) |

| | | | | |
|---------------------------------------|------|-------|-------|-------|
| Net Cash used in Financing Activities | 0.11 | 67.55 | 73.45 | 30.00 |
|---------------------------------------|------|-------|-------|-------|

Cash Flows from Operating Activities

Net cash from Operating activities for the period ended September 2024 was negative ₹20.19 Lakhs and for the year ended March 2024 was ₹10.95 lakhs. The positive operating cash flows is mainly on account of increase in Net Profit before tax. It is reduced to a large extent by increase in Trade receivables which is balanced to an extent by increase in trade payables.

Net cash from operating activities for the year ended March, 2023 was at negative ₹35.67 lakhs as compared to negative ₹13.98 for Fiscal 2022.

Net cash from operating activities for the period ended Fiscal 2022 was at negative ₹13.98 Lakhs as compared to ₹0.4 Lakhs for Fiscal 2021.

Net cash from operating activities for the period ended Fiscal 2021 was at ₹0.4 Lakhs.

Cash Flows from Investment Activities

Net cash from Investing activities for the period ended September 2024 was negative ₹4.80 lakhs and for the year ended March 2024 was negative ₹86.52 lakhs. The negative investing cash flows in on account of purchase of property, plant & equipment.

Net cash from investment activities for the year ended March, 2023 was at negative ₹17.91 Lakhs as compared to negative ₹2.58 Lakhs for Fiscal 2022.

Net cash from investment activities for the period ended Fiscal 2022 was at negative ₹2.58 Lakhs as compared to Nil for Fiscal 2021.

Cash Flows from Financing Activities

Net cash from Financing activities for the period ended September 2024 was ₹0.11 lakhs and for the year ended March 2024 was ₹67.55 lakhs. This is on account of bank loans taken by the Company.

Net cash from financing activities for the year ended March, 2023 was ₹73.45 Lakhs as compared to ₹30.00 Lakhs for Fiscal 2022.

Net cash from financing activities for the period ended Fiscal 2022 was Rs 30 lakhs as compared to Nil for Fiscal 2021.

INFORMATION REQUIRED AS PER ITEM (II) (C) (I) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

1. Unusual or infrequent events or transactions

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

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

Other than as described in the “Risk Factors” beginning on page 16 of this Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

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

Other than as described in this Prospectus, particularly in the sections “Risk Factors” and “Management’s

Discussion and Analysis of Financial Condition and Results of Operations” on pages 16 and 195, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

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

| Particulars | Half year ended 30 Sep 2024 | | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|------------------|--------------------------------|-------|-------------------------|-------|----------------------|-------|-------------------------|-------|
| | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % | Amount (Rs Lakhs) | In % |
| Knitted Cloths | 1499.87 | 99.93 | 2126.18 | 96.38 | 1223.31 | 83.21 | 24.56 | 85.09 |
| Silver Ornaments | 1.06 | 0.07 | 79.80 | 3.62 | 246.89 | 16.79 | 4.32 | 14.91 |

5. Future relationship between Costs and Income

Our Company’s future costs and revenues will be determined by the growth of the industry in which we operate.

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

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

7. Status of any publicly announced new products or business segments

Our Company has not announced any new services and product and segment / scheme, other than particularly in the “*Our Business*” on pages 88 and disclosed in this Prospectus.

8. The extent to which the business is seasonal

Our business is moderately seasonal in nature. With May to September being peak business months for our wholesale business and; Diwali and festivals being peak business months for our silver jewellery business.

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

Our Company is significantly dependent on a few suppliers and customers. For further details, refer to the chapter titled “*Risk factor*” and “*Our Business*” on page 16 and 88 of Prospectus.

10. Competitive Conditions

Competitive conditions have been discussed in sections titled “*Our Business*” and “*Our Industry*” on pages 88 and 71 of this Prospectus.

CAPITALISATION STATEMENT

For the Capitalisation Statement of our Company, please refer to “*Annexure 34*” of “*Restated Financial Information*” beginning on page 137 of this Prospectus.

This space has been left blank intentionally.

SECTION X-LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters or Group Companies. Our Board, in its meeting held on December 23, 2022, determined that all pending litigation involving our Company, holding, Subsidiary, Directors, Promoters and Group Companies, other than criminal proceedings and statutory or regulatory actions, disciplinary actions including penalty imposed by SEBI or stock exchanges, claims related to direct and indirect taxes, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 10% of the consolidated profit after tax (PAT) of the Company, as per the last audited financial statements; or where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed the above mentioned thresholds, if similar litigations put together collectively exceed 10% of the consolidated profit after tax of the Company such litigation wherein the monetary liability is not quantifiable but which is expected to be material from the perspective of the Company's business, operations, prospects or reputation. ("Material Litigation").

It is further clarified that for the purposes of this Prospectus, pre-litigation notices received by the Company, Subsidiaries, Directors or Promoter shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of its Subsidiaries, Directors or Promoters, as the case may be, is impleaded as a defendant in litigation before any judicial forum.

I.LITIGATIONS INVOLVING THE COMPANY: NIL

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

II.LITIGATIONS INVOLVING THE PROMOTER OF THE COMPANY: NIL

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) *Other Pending Litigation based on Materiality Policy of our Company*

NIL

III.LITIGATIONS INVOLVING THE DIRECTORS OF THE COMPANY OTHER THAN PROMOTER OF THE COMPANY

1) *Litigation involving Criminal Laws*

NIL

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

NIL

3) *Disciplinary Actions by Authorities*

NIL

4) *Litigation involving Tax Liability*

NIL

5) *Other Pending Litigation based on Materiality Policy of our Company*

NIL

IV.LITIGATIONS INVOLVING GROUP ENTITIES

1) *Litigation involving Criminal Laws*

NIL

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

NIL

3) *Disciplinary Actions by Authorities*

NIL

4) *Litigation involving Tax Liability*

NIL

5) *Other Pending Litigation based on Materiality Policy of our Company*

NIL

V.LITIGATIONS RELATING TO THE DIRECTORS OF GROUP ENTITIES

1) *Litigation involving Criminal Laws*

NIL

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

NIL

3) *Disciplinary Actions by Authorities*

NIL

4) *Litigation involving Tax Liability*

NIL

5) *Other Pending Litigation based on Materiality Policy of our Company*

NIL

The Company has no group entities as of the date of this Prospectus.

VI.LITIGATIONS RELATING TO THE HOLDING COMPANY

1) *Litigation involving Criminal Laws*

NIL

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

NIL

3) *Disciplinary Actions by Authorities*

NIL

4) *Litigation involving Tax Liability*

NIL

5) *Other Pending Litigation based on Materiality Policy of our Company*

NIL

The Company has no holding company as of the date of this Prospectus.

VII.LITIGATIONS RELATING TO THE DIRECTORS OF SUBSIDIARY COMPANY

1) *Litigation involving Criminal Laws*

NIL

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

NIL

3) *Disciplinary Actions by Authorities*

NIL

4) *Litigation involving Tax Liability*

NIL

5) *Other Pending Litigation based on Materiality Policy of our Company*

NIL

The Company has no subsidiary company as of the date of this Prospectus.

VIII.DETAILS OF THE PAST PENALTIES IMPOSED ON THE COMPANY / DIRECTORS: NIL

OTHER LITIGATIONS INVOLVING ANY OTHER ENTITIES WHICH MAY HAVE A MATERIAL ADVERSE EFFECT ON THE COMPANY

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offenses, tax liabilities, prosecution under any enactment in respect of the Companies Act, Show Cause Notices or Legal Notices pending against any company whose outcome could affect the operation or finances of the Company or have a material adverse effect on the position of the Company.

In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the operations or performance of the Company or when materiality thereof could not be ascertained due to lack of information with or confirmation from the Company.

Outstanding dues to Creditors

As per the materiality policy adopted by the Board of our Company in its meeting held on December 23, 2022 the outstanding dues to creditors in excess of 10% of the consolidated profit after tax (PAT) of the Company, as per the last audited financial statements; or where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed the above mentioned thresholds, if similar litigations put together collectively exceed 10% of the consolidated profit after tax of the Company will be considered material.

Based on the same, as on September 30, 2024, our Company had outstanding dues to creditors as follows:

| Nature of Creditors | Amount (₹ In Lakh) |
|-------------------------------------|---------------------------|
| Micro, Small and Medium Enterprises | Nil |
| Others | 512.83 |
| Dues to Related Parties | Nil |

Further, on September 30, 2024 the Company has no outstanding amount to any micro-enterprises and small enterprises and medium enterprises based on the available information and records.

Details of Material Dues to creditors as required under the SEBI (ICDR) Regulations have been disclosed on the company's website at <https://www.avaxapparels.com>.

Material developments occurring after the last balance sheet date, that is, September 30, 2024:

Except as disclosed in the "*Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company*" beginning on page number 195 of this Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its assets or its ability to pay its material liabilities within the next 12 months.

There are No:

- a. Litigations or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against the Promoter of the Company during the last five years.
- b. Directions issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action
- c. Pending proceedings initiated against the Company for economic offences;
- d. Default and non-payment of statutory dues by the Company
- e. Inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Act in the last five years against the Company and Subsidiaries including fines imposed or compounding of offenses done in those five years;

- f. Material frauds committed against the Company in the last five years;
- g. Cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- h. Pending litigation against the Promoter/ Directors in their capacities and also involving the violation of statutory regulations or criminal offenses.
- i. Pending proceedings initiated for economic offenses against the Directors, Promoter, Companies, and firms promoted by the Promoter.
- j. Outstanding litigation, defaults, etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.

We further confirm that except as stated hereinabove:

- a. Avax/the Company, its Promoter, and other Companies with which Promoter are associated have neither been suspended by SEBI nor has any disciplinary action been taken against them or either of them by SEBI.
- b. There has been no material regulatory or disciplinary action by a Stock Exchange or Regulatory Authority in the past years in respect of the Promoter of the Company, group company's entities, entities promoted by the Promoter of the Company.
- c. Further, none of the Directors of the Company has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.
- d. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoter, group entities, companies promoted by the Promoter during the past three years except as under:
- e. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- f. There is no pending litigation against the Promoter/ Directors in their capacities and also involving the violation of statutory regulations or criminal offenses.
- g. There are no pending proceedings initiated for economic offenses against the Directors, Promoter, Companies, and firms promoted by the Promoter.
- h. There is no outstanding litigation, defaults, etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- i. There are no litigations against the Promoter / Directors in their capacity.
- j. There are no criminal cases filed or any investigation being undertaken concerning the alleged commission of any offense by any of the Directors. Further, none of the Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.
- k. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- l. There is no pending litigation against the Promoter/ Directors in their capacities and also involving the violation of statutory regulations or criminal offenses.
- m. There are no pending proceedings initiated for economic offenses against the Directors, Promoter, Companies, and firms promoted by the Promoter.
- n. There is no outstanding litigation, defaults, etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- o. There are no litigations against the Promoter / Directors in their capacity.
- p. There are no criminal cases filed or any investigation being undertaken concerning the alleged commission of any offense by any of the Directors. Further, none of the Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.

GOVERNMENT AND OTHER APPROVALS

In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorisations”) listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities.

Unless otherwise stated, these approvals are all valid as of the date of this Prospectus. It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the “Key Regulations and Policies” beginning on page 103 of the Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

CORPORATE APPROVALS FOR THIS ISSUE

1. The Board of Directors have, pursuant to resolutions passed at its meeting held on December 23, 2022 has approved the Issue, subject to the approval by the shareholders of the Company under Section 62 (1) (c) of the Companies Act 2013.
2. The Shareholders have, pursuant to the resolution dated December 30, 2022 under section 62 (1) (c) of the Companies Act 2013, authorized the Issue.

IN-PRINCIPLE APPROVAL

The Company has obtained approval from BSE vide its letter dated August 08, 2024 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

AGREEMENTS WITH NSDL AND CDSL

1. The Company has entered into an agreement dated November 9, 2022, with the Central Depository Services (India) Limited (“CDSL”), and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Limited, for the dematerialization of its shares.
2. The Company has also entered into an agreement dated November 9, 2022 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Limited, for the dematerialization of its shares.
3. The Company’s International Securities Identification Number (“ISIN”) is INE0NQ401016.

INCORPORATION DETAILS OF OUR COMPANY

| S. No. | Nature of Registration & License | Regn. No. / License No. | Law | Issued by | Issued on | Expiry Date |
|--------|---------------------------------------|-------------------------|---------------------|--|------------|----------------|
| 1 | Original Certificate of Incorporation | U51311DL2005PTC137127 | Companies Act, 1956 | Registrar of Companies, NCT of Delhi & Haryana | 02.06.2005 | Till cancelled |

| | | | | | | |
|---|---|-----------------------|---------------------|-------------------------------|------------|----------------|
| 2 | Fresh Certificate of Incorporation upon change of name of the company | U51100DL2005PTC137127 | Companies Act, 2013 | Registrar of Companies, Delhi | 11.10.2021 | Till cancelled |
| 3 | Fresh Certificate of Incorporation upon conversion to public company | U51100DL2005PLC137127 | Companies Act, 2013 | Registrar of Companies, Delhi | 18.11.2022 | Till cancelled |
| 4 | Fresh Certificate of Incorporation upon change of name of the company | U14101DL2005PLC137127 | Companies Act, 2013 | Registrar of Companies, Delhi | 15.06.2023 | Till cancelled |

TAX RELATED AUTHORISATIONS

| S. No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of issue / Modify | Date of Expiry |
|--------|--|---------------------------|--|------------------------|----------------|
| 1 | Permanent Account Number (PAN) | AABCE4977E | Income Tax Department, Government of India | 09.07.2023 | Till cancelled |
| 2 | TAN (Tax Deduction Account Number) | DELA68803A | Income Tax Department, Government of India | 07.09.2022 /25.07.2023 | Till cancelled |
| 3 | Goods & Services Tax (GST) Registration Number | 03AABCE4977E1ZT | Goods & Services Tax Department, Government of India | 30.12.2021/ 10.07.2023 | Till cancelled |

LICENSES/ APPROVALS/CERTIFICATES UNDER OTHER APPLICABLE LAWS

| Sl. No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of issue/ Modify | Date of Expiry |
|---------|---------------------------------|---|--|------------------------|----------------|
| 1 | Udyam Registration Certificate | UDYAM-DL-03-0019458 Micro Services | Ministry of Micro, Small and Medium Enterprises, Government of India | 17.07.2023 | Till cancelled |
| 2 | Importer-Exporter Code (IEC) | AABCE4977E | Director General of Foreign Trade (DGFT), Ministry of Commerce & Industries, | 23.09.2022/ 17.07.2023 | Till cancelled |

| | | | | | |
|---|---|-------------------------------|---|------------|------------|
| | | | Government of India | | |
| 3 | Shops & Establishment Registration | Application Number: 230155254 | Department of Labour, Govt. of Punjab | 31.07.2023 | - |
| 4 | Certificate of Registration for selling Articles with Hallmark IS 2112:2014 (Silver) | HM/C97900577 09 | Bureau of Indian Standards, Chandigarh, Branch Office-1 | 02.07.2021 | 01.07.2026 |

Note:

Except as disclosed above, there are no any consents, licenses, permissions, and approvals required by the Company for its operation which are applied or yet to be received or not yet applied.

Some consents, licenses, permissions, and approvals are in the name of Avax Soft Technologies Private Limited / Avax Soft Technologies Limited and the Company is in the process of taking all approvals in the new name of the Company i.e., Avax Apparels and Ornaments Limited

IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE-MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.

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SECTION XI-OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

1. This Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on December 23, 2022.
2. The Shareholders of our Company have authorised this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its EGM held on December 30, 2022 and authorised the Board to take decisions in relation to this Issue.
3. The Company has obtained approval from BSE vide its letter dated August 08, 2024 to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE. BSE is the Designated Stock Exchange.
4. Our Board has approved this Prospectus through its resolution dated December 26, 2024.
5. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the “*Government and Other Approvals*” beginning on page 212 of this Prospectus.

Prohibition by SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Entities or the Director and Promoter of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Prohibition by RBI or Governmental authority

Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.

Our Directors have not been declared as wilful defaulters by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

In view of the General Circular No. 07/2018 dated September 6, 2018 and General Circular No. 8/ 2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India, our Company, our and Promoter Group will ensure compliance with the Companies (Significant Beneficial Ownerships) Rules, 2018, upon notification of the relevant forms, as may be applicable to them.

Directors associated with the Securities Market

We confirm that none of our Directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past five (5) years preceding the date of this Prospectus.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Offer in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as the post Offer face value capital is Less than ₹1,000 Lakh. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

We confirm that:

- a. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the Lead Manager to the Offer will underwrite at least 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to “General Information” on page 40 of this Prospectus.
- b. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight (8) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
- c. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, the Lead Manager shall ensure that the Issuer shall file a copy of the Prospectus/Prospectus with SEBI along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Prospectus/Prospectus with the Registrar of Companies.
- d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the Lead Manager will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the “**General Information**” on page 40 of this Prospectus.
- e. In accordance with Regulation 228 (a) of the SEBI (ICDR) Regulations, Neither the issuer, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board;
- f. In accordance with Regulation 228 (b) of the SEBI (ICDR) Regulations, none of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board;
- g. In accordance with Regulation 228 (c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter.
- h. In accordance with Regulation 228 (d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
- i. In accordance with Regulation 230 (1) (a) of the SEBI (ICDR) Regulations, Application is being made to BSE Limited and BSE Limited is the Designated Stock Exchange.
- j. In accordance with Regulation 230 (1) (b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
- k. In accordance with Regulation 230 (1) (c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid Up.
- l. In accordance with Regulation 230 (1) (d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.

BSE ELIGIBILITY NORMS:

1. The Company has been incorporated under the Companies Act, 1956 in India.
2. The post issue paid up capital of the Company (face value) will not be more than ₹2,500.00 Lakh.

3. The Company has positive Net worth (excluding revaluation reserves) which is ₹405.30 Lakh as per the audited financial Statements as on September 30, 2024.
4. Net Tangible Asset of the Company is ₹ 405.06 Lakh as on September 30, 2024 which is more than ₹150 Lakh.
5. The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 1 out of 3 financial years preceding the application and its net-worth should be positive and that the Company has track record of 3 years.

(Amount in Rs Lakhs)

| Particulars | Half year ended | Financial Year ended | | |
|----------------------------------|-----------------|----------------------|--------------|--------------|
| | 30-Sep-24 | Mar 31, 2024 | Mar 31, 2023 | Mar 31, 2022 |
| EBITDA | 145.20 | 210.07 | 99.22 | 1.35 |
| Net Tangible Assets | 405.06 | 314.39 | 176.02 | 1.66 |
| Net Worth | 405.30 | 314.68 | 176.49 | 1.66 |
| Net Asset Value Per Share (NAV)* | 52.97 | 41.13 | 23.07 | 15.31 |

*Adjusted FY2022 by consolidating FV Re. 1 to Rs 10 for fair comparison

Other Requirements

- The company shall mandatorily facilitate trading in demat securities and will entered into an agreement with both the depositories. Also the Equity Shares allotted through this Issue will be in dematerialized mode.
- Our Company has a live and operational website: <https://www.avaxapparels.com>
- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against our Company that has been accepted by a court.
- There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.
- There has been no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the BSE SME.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGER, SKI CAPITAL SERVICES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SKI CAPITAL SERVICES LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 26, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A)

OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website <https://www.avaxapparels.com> would be doing so at his or her own risk.

Caution

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue management, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, *etc.* The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and their respective associates in the ordinary course of business & have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Price Information and the track record of the past Issues handled by the Lead Manager

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to 'Annexure A' to the Prospectus and the website of the Lead Manager at www.skicapital.net

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lakh, pension funds with minimum corpus of ₹2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person

to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Delhi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Prospectus had been filed with BSE SME for its observations and BSE SME gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

Disclaimer Clause of the SME Platform of BSE

BSE Limited (“BSE”) has given vide its letter dated August 08, 2024 permission to this Company to use its name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Limited does not in any manner: -

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company’s securities will be listed on completion of Initial Public Offer or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE, 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.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE / other regulatory authority. Any use of the SME platform and the related services are subject to Indian Laws and Courts exclusively situated in Mumbai.

DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT.

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (“U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S Persons” (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

LISTING

Application will be made to the BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE Limited has given its in-principle approval for using its name in our Offer documents vide its letter no. LO\SME-IPO\PG\IP\117\2024-25 dated August 08, 2024.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within six Working Days from the Offer Closing Date.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- a. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- b. otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”*

CONSENTS

Consents in writing of:(a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) Lead Manager, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing final prospectus to RoC) and will be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Prospectus and such consent and report is not withdrawn up to the time of delivery of this Prospectus with BSE.

EXPERT OPINION

Except the report of the Peer Review Auditor on (a) the restated financial statements; (b) statement of tax benefits, Audit reports by Statutory Auditors for period ended on 30th September 2024, 31st March, 2024, 31st March 2023 and 31st March 2022, Legal Advisor report on Outstanding Litigations and Material Developments and RoC Search report by M/s G Gupta and Associates, Peer Review Practicing Company Secretaries, included in this Prospectus, our Company has not obtained any other expert opinion. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION

We are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and have not made any previous rights and/or public issues in terms of the SEBI Regulations since incorporation.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Other than as detailed under ‘*Capital Structure*’ beginning on page 47 of the Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of this Prospectus.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED GROUP-COMPANIES / SUBSIDIARIES/ ASSOCIATES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1B) OF THE COMPANIES ACT, 1956 / SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF OUR COMPANY

Except as stated in the chapter titled “Capital Structure” beginning on page 47 of this Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTED SUBSIDIARIES OF OUR COMPANY

The Company does not have any subsidiary company.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of the Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

OUTSTANDING CONVERTIBLE INSTRUMENTS

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

OPTION TO SUBSCRIBE

Equity Shares being offered through this Prospectus can be applied for in dematerialized form only.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Offer may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted. All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection center of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Bidders.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Offer for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mrs. Shruti Jain as the Company Secretary and Compliance Officer and may be contacted at the following address:

AVAX APPARELS AND ORNAMENTS LIMITED

611 6th Floor Jaina Tower II Distt. Centre Janakpuri, West Delhi, Delhi- 110058

Tel No: +011-44750642/ +91-9599497767

Email: secretarial@avaxapparels.com

Website: <https://www.avaxapparels.com>

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY

We do not have any listed company under the same management.

CHANGE IN AUDITORS DURING THE LAST THREE (3) YEARS

Except as disclosed in “*General Information*” beginning on Page 40 of this Prospectus; there are no changes in the Auditors of the company during the last three years.

CAPITALIZATION OF RESERVES OR PROFITS

Except as disclosed under “*Capital Structure*” beginning on page 47 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

REVALUATION OF ASSETS

Our Company has not revalued its assets in five (5) years preceding the date of this Prospectus.

TAX IMPLICATIONS

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the “*Statement of Possible Tax Benefits*” beginning on page 190 of this Prospectus.

PURCHASE OF PROPERTY

Other than as disclosed in “*Our Business*” on page 88 of the Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.
- Except as stated elsewhere in the Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

Except as stated in this Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in “*Our Management*” beginning on page 112 and “*Financial Information*” beginning on page 137 of the Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

EXEMPTION FROM COMPLYING WITH ANY PROVISION OF SECURITY LAWS, IF ANY GRANTED BY SEBI

As on date of Prospectus, our company has not availed any exemption from complying with any provision of security laws granted by SEBI

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters 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 will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

SECTION XII-ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note ("CAN"), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.

Authority for the Issue

The present Public Issue of upto 2,74,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on December 23, 2022 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on December 30, 2022 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to, '**Main Provisions of the Articles of Association**', beginning on page 260 of this Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to "**Dividend Policy**" and "**Main Provisions of the Article of Association**" beginning on page 136 and 260 respectively of this Prospectus.

Face Value and Issue Price

The Equity Shares having a Face Value of ₹ 10.00 each are being offered in terms of this Prospectus at the price of ₹ 70 per Equity Share (including premium of ₹ 60 per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under "**Basis for Issue Price**" beginning on page 66 of this Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI ICDR Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to "**Main Provisions of the Articles of Association**" beginning on page 260 of this Prospectus.

Allotment only in Dematerialized Form

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated November 9, 2022 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated November 9, 2022 between CDSL, our Company and Registrar to the Issue.

Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of 2000 Equity Shares and the same may be modified by the BSE SME (SME platform of BSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 2000 Equity Shares is subject to a minimum allotment of 2000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in New Delhi.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being

offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Subscription List of Public Issue

| | |
|--------------------|-----------------|
| Issue Opening Date | 07 January 2025 |
| Issue Closing Date | 09 January 2025 |

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Prospectus is IST.

Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Stock may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable

Minimum Subscription and Underwriting

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer to the “**General Information**” on page 40 of this Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase -above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid-up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "**General Information**" on page 40 of this Prospectus.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of 2000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE Limited.

As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provide a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Allotment of Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under "*Capital Structure*" beginning on page 47 of this Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to the "*Main Provisions of the Articles of Association*" beginning on page 260 of this Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre- Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than ₹10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Plat form of BSE). For further details regarding the salient features and terms of such an issue please refer "Terms of the Issue “and "Issue Procedure" on page 225 and 234 of the Prospectus.

The Issue comprise of a Public Issue of 2,74,000 Equity Shares of Face Value of ₹10/- each fully paid (The “Equity Shares”) for cash at a price of ₹ 70/- per Equity Shares (including a premium of ₹ 60/- per equity share) aggregating to ₹ 191.80/- lakhs (“the issue”) by our Company of which 14,000 Equity Shares of ₹10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 2,60,000 Equity Shares of ₹10/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 26.36% and 25.02% respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process.

| Particulars of the Issue | Net Issue to Public* | Market Maker Reservation Portion |
|---|--|--------------------------------------|
| Number of Equity Shares available for allocation | 2,60,000 Equity Shares | 14,000 Equity Shares |
| Percentage of Issue Size available for allocation | 94.89% of the Issue Size | 5.11% of the Issue Size |
| Basis of Allotment | Proportionate subject to minimum allotment of 2000 Equity Shares and further allotment in multiples of 2000 Equity Shares each. For further details please refer to “ Issue Procedure ” on page 234 of this Prospectus. | Firm Allotment |
| Mode of Application | All the applications shall make the application (Online or Physical) through ASBA Process Only | Through ASBA Process Only |
| Mode of Allotment | Compulsorily in dematerialized form. | Compulsorily in dematerialized form. |
| Minimum Application Size | <u>For Other than Retail Individual Investors:</u> Such number of Equity Shares in multiples of 2000 Equity Shares at an Issue price of ₹ 70/- each, such that the Application Value exceeds ₹2.00 Lakh. For Retail Individuals Investors: 2000 Equity Shares at an Issue price of ₹ 70/- each | 1,30,000 Equity Shares |
| Maximum Application Size | <u>For Other than Retails Individual Investors:</u> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. <u>For Retail Individuals Investors:</u> | 1,30,000 Equity Shares |

| | | |
|----------------------|--|---|
| | Such number of Equity Shares in multiples of 2000 Equity Shares such that the Application Value does not exceed ₹2,00,000/- | |
| Trading Lot | 2000 Equity Shares | 2000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |
| Application lot Size | 2000 Equity Shares thereafter Equity Shares and in multiples of 2000. | |
| Terms of Payment | The entire Application Amount shall be blocked by the SCSBs in the bank account of the Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI Mechanism) at the time of the submission of the Application Form. | |

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to “**Issue Structure**” on page 231 of the Prospectus.

*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
 - (i) Individual Applicant other than retail Individual Investors; and
 - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

Withdrawal of the Issue

The Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

Issue Programme:

| | |
|---------------------|-------------------------|
| Opening Date | Tuesday, 7 January 2025 |
|---------------------|-------------------------|

| | |
|----------------------------------|-------------------------|
| Closing Date | Thursday,9 January 2025 |
| Basis of Allotment | Friday, 10 January 2025 |
| Initiation of Refunds | Friday, 10 January 2025 |
| Credit of Shares to Demat | Monday, 13 January 2025 |
| Listing Date | Tuesday,14 January 2025 |

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form. Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issue prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "General Information Document") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. Investors should note that the details and process provided in the General Information Document should be read along with this section. Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("UPI Phase I"), until June 30, 2019. Subsequently, for applications by Retail Individual Bidders through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIBs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 ("UPI Phase II"). SEBI vide press release bearing number 12/2023 had approved the proposal for reducing the time period for listing of shares in public issue from the existing six working days to three working days. Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders ("UPI Phase III") has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023. The Issue will be made under UPI Phase II, subject to the timing of the Issue and any circulars, clarification or notification issued by the SEBI from time to time, including SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. These circulars are effective for initial public offers opening on or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Red Herring Prospectus. The provisions of the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by NSE having reference no. 20220803-40 dated August 3, 2022 are also deemed to form part of this Red Herring Prospectus. Further, the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with

applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

Further, our Company, the Promoter and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum on the Bid Amount for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking, unless otherwise prescribed under applicable law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹0.5 million shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The Registrar and SCSBs will comply with any additional circulars or other Applicable Law, and the instructions of the BRLMs, as may be issued in connection with this circular. Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

Phased implementation of Unified Payments Interface

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

- a. **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB also had the option to submit the ASBA Form with any of the Designated Intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.
- b. **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, individual investors Bidding up to ₹ 500,000 shall use UPI and provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, CDPs and RTAs.
- c. **Phase III:** In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. SEBI vide press release bearing number 12/2023 had approved the proposal for reducing

the time period for listing of shares in public issue from existing six working days to three working days and pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the reduce time period of three working days has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 1, 2023.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline and submit confirmation of the unblock to the BRLMs and Registrar within the prescribed timelines would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

PART A

Fixed Price Issue Procedure

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non-Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the

dematerialized segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.

Application Form

Retail Individual Applicants can submit their Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, the SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

Application Forms will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, the Application Forms will also be available for download on the website of the Company, Lead Manager and Stock Exchange (www.bseindia.com), at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected. For further details on the UPI Channel please refer SEBI circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

Pursuant to SEBI Circular dated January 1, 2016 and bearing no. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also, please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA mode. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

| Category | Colour* |
|--|----------------|
| Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA) | White |
| Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA) | Blue |

**Excluding Electronic Application Form*

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for making an Application in terms of the Prospectus.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – “Designated Intermediaries”):

| Sr. No. | Designated Intermediaries |
|----------------|--|
| 1. | An SCSB, with whom the bank account to be blocked, is maintained |
| 2. | A syndicate member (or sub-syndicate member) |

| | |
|----|--|
| 3. | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') |
| 4. | A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |
| 5. | A registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the application form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|--|---|
| For Applications submitted by Investors to SCSB: | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| For applications submitted by investors to intermediaries other than SCSBs: | After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |
| For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment: | After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account. |

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Availability of Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e., www.bseindia.com.

Who can apply?

Each Applicant should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Subject to the above, an illustrative list of Applicants is as follows:

- a. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d. Mutual Funds registered with SEBI;
- e. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant 's category;
- j. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k. Foreign Venture Capital Investors registered with the SEBI;
- l. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o. Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p. Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r. Insurance funds set up and managed by army, navy or air force of the Union of India;
- s. Multilateral and bilateral development financial institution;
- t. Eligible QFIs;
- u. Insurance funds set up and managed by army, navy or air force of the Union of India;
- v. Insurance funds set up and managed by the Department of Posts, India;

w. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications can not to be made by:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

MAXIMUM AND MINIMUM APPLICATION SIZE

For Retail Individual Applicants

The Application must be for a minimum of 2000 Equity Shares and in multiples of 2000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).

For applications where the proportionate allotment works out to less than 2000 Equity shares the allotment will be made as follows:

1. Each successful applicant shall be allotted 2000 Equity shares; and
2. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

If the proportionate allotment to an applicant works out to a number that is not a multiple of 2000 Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 2000 Equity shares subject to a minimum allotment of 2000 Equity shares. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 2000 Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

The balance net offer of shares to the public shall be made available for allotment to a) Individual applicants other than retails individual investors and b) Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.

The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Participation by Associates /Affiliates of LM and the Syndicate Members

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non-

Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Applicants:

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such application forms that do not contain such details are liable to be rejected.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their

PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.

10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non-Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

Applications by eligible NRIs on Repatriation Basis

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

Application by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations,

for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

Applications by Insurance Companies

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- i. Equity shares of a company: The lesser of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- ii. The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- iii. The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

Applications under Power of Attorney

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of ₹ 2500 Lacs and pension funds with minimum corpus of ₹ 2500 Lacs, a certified copy of a certificate from a chartered accountant

certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Application by Provident Funds/Pension Funds

In case of Applications made by provident funds with minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of ₹ 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Prospectus.

Applications by Banking Companies

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Applications by Systemically Important Non-Banking Financial Companies

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of:

(i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non- Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Applications by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Issue Procedure for Application Supported by Blocked Account (ASBA) Applicants

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

Method and Process of Applications

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

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| For Applications submitted by investors to SCSB: | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| For applications submitted by investors to intermediaries other than SCSBs: | After accepting the application form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |

6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system

as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.

10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Terms of payment

The entire Issue price of ₹ 70 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)

In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to streamline the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.

Who can apply through UPI Mode:

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High- Net worth Investors shall continue to apply as per the existing process.

PROCESS

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: www.sebi.gov.in.

BLOCKING OF FUNDS:

- a. Investors shall create UPI ID
- b. Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form of Avax Apparels and Ornaments Limited.
- c. Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d. Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e. Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f. Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

UNBLOCKING OF FUNDS:

- a. After the offer close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b. Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public offer escrow account and unblocking of excess funds
- c. Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the offer period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.

REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

LIST OF BANKS PROVIDING UPI FACILITY

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >>Self Certified Syndicate Banks eligible as Issuer Banks for UPI

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - a. the applications accepted by them,
 - b. the applications uploaded by them
 - c. the applications accepted but not uploaded by them or
 - d. With respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - a. The applications accepted by any Designated Intermediaries
 - b. The applications uploaded by any Designated Intermediaries or
 - c. The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

| S. No. | Details* |
|---------------|-------------------|
| 1. | Symbol |
| 2. | Intermediary Code |
| 3. | Location Code |
| 4. | Application No. |
| 5. | Category |
| 6. | PAN |

| | |
|-----|-----------|
| 7. | DP ID |
| 8. | Client ID |
| 9. | Quantity |
| 10. | Amount |

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:

- Name of the Applicant;
- IPO Name;
- Application Form Number;
- Investor Category;
- PAN (of First Applicant, if more than one Applicant);
- DP ID of the demat account of the Applicant;
- Client Identification Number of the demat account of the Applicant;
- Number of Equity Shares Applied for;
- Bank Account details;
- Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
- Bank account number.

8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.

9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

11. In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Allocation of Equity shares

1. The Issue is being made through the Fixed Price Process wherein 14,000 Equity Shares shall be reserved for Market Maker and 1,30,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.

2. Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

4. In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.

5. Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and Filing of Prospectus with RoC

a. Our company has entered into an Underwriting Agreement dated August 1, 2024.

b. A copy of Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

Issuance of Allotment Advice

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.

2. On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

3. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding ₹2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME (SME platform of BSE) where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

- a. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Undertakings by Our Company

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
3. That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
4. That our Promoters' contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
6. That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;
7. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
8. That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period 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;
9. That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
10. Adequate arrangements shall be made to collect all Application Forms from the Applicants;
11. That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
12. That none of the promoters or directors of the company is willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

Utilization of Issue Proceeds:

The Board of Directors of our Company certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2. Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

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

- Tripartite Agreement dated November 9, 2022 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated November 09, 2022 between CDSL, our Company and Registrar to the Issue.

The Company's equity shares bear an ISIN No. INE0NQ401016.

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction –Foreign Investment in India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction.

The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company. Investment conditions/restrictions for overseas entities Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

This space has been left blank intentionally.

SECTION XIII-MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

| Title of Article | No. | Content |
|--|-----|--|
| CAPITAL AND INCREASE AND REDUCTION OF CAPITAL | | |
| Share Capital | 3 | The Authorised Share Capital of the Company shall be such amount; divided into such class(es) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association of the Company; with power to increase or reduce such Capital from time to time and power to divide the shares in the Capital for the time being into other classes and to attach thereto respectively such preferential , convertible, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the regulations of the Company or the provisions of the Company or the provisions of the law for the time being in force. |
| Increase of Capital by the Company how carried into effect | 4 | The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new shares which may be unclassified and may be classified at the time of issue in one or more classes and such amount or amounts as may be deemed expedient. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Companies Act, 2013. Whenever the capital of the Company has been increased under the provisions of this Articles the Directors shall comply with the provisions of Section 64 of the Companies Act, 2013. |
| New Capital same as existing capital | 5 | Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. |
| Non Voting Shares | 6 | The Board shall have the power to issue a part of authorised capital by way of non- voting Shares at price(s) premium, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, in the event it is permitted by law to issue shares without voting rights attached to the subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force. |
| Redeemable Preference Shares | 7 | Subject to the provisions of Section 55 of the Companies Act, 2013, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption. |
| Voting rights of preference shares | 8 | The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares and in circumstances provided under Section 47(2). |
| Provisions to apply on issue of Redeemable | 9 | On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions-shall take effect: |

| Title of Article | No. | Content |
|---|-----|---|
| Preference Shares | | <p>No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.</p> <p>No such Shares shall be redeemed unless they are fully paid.</p> <p>The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed.</p> <p>Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Companies Act, 2013 apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.</p> <p>Subject to the provisions of Section 55 of the Companies Act, 2013, the redemption of preference shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.</p> |
| Reduction of capital | 10 | <p>The Company may (subject to the provisions of section 52, 55(1) & (2) of the Companies Act, 2013 and Section 80 of the Companies Act, 1956, to the extent applicable, and Section 100 to 105 of the Companies Act, 1956, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce the share capital;</p> <p>any capital redemption reserve account; or</p> <p>any security premium account.</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p> |
| Purchase of own Shares | 11 | <p>The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.</p> |
| Sub-division and consolidation and cancellation of Shares | 12 | <p>Subject to the provisions of Section 61 of the Companies Act, 2013 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.</p> |
| MODIFICATION OF RIGHTS | | |
| Modification of rights | 13 | <p>Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 48 of the Companies Act, 2013 be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p> |

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| | | The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking pari passu therewith. |
| SHARES, CERTIFICATES AND DEMATERIALISATION | | |
| Restriction on allotment and return of allotment | 14 | The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Section 39 of the Companies Act, 2013, and shall cause to be made the returns as to allotment provided for in Section 39 of the Companies Act, 2013. |
| Further issue of shares | 15 | <p>Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered-</p> <p>to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—</p> <p>the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p> <p>the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;</p> <p>after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;</p> <p>to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or</p> <p>to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.</p> <p>The notice referred to in sub-clause (a)(i) of Clause (1) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>Nothing aforesaid shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.</p> |
| Shares at the disposal of the Directors | 16 | Subject to the provisions of Section 62 of the Companies Act, 2013 and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 53 of the Companies Act, 2013) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call |

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| | | for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. |
| Power to offer Shares/options to acquire Shares | 16 A | Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. |
| | | In addition to the powers of the Board under Article 16A (1), the Board may also allot the Shares referred to in Article 16A (1) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A (1)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit. |
| | | The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A (1) and (2) above. |
| Application of premium received on Shares | 17 | Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the securities premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company. |
| | | The securities premium account may, notwithstanding anything in clause (1) thereof be applied by the Company: In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus shares; In writing off the preliminary expenses of the Company; In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ;or In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. For the purchase of its own shares or other securities under Section 68 of the Companies Act, 2013. |
| Power also to Company in General Meeting to issue Shares | 18 | In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 62 of the Companies Act, 2013, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Companies Act, 2013) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the |

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| | | provisions of Sections 52 and 53 of the Companies Act, 2013) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares. |
| Power of General Meeting to authorize Board to offer Shares/Options to employees | 18 A | Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the afore said purpose. In addition to the powers contained in Article 18A (1), the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article. |
| Shares at a discount | 19 | The Company shall not issue Shares at a discount except the issue of Sweat Equity Shares of a class already issued, if the following conditions are fulfilled, namely: the issue is authorized by a special resolution passed by the company; the resolution specifies the number of shares, the current market price, consideration, if any, and the class or classes of directors or employees to whom such equity shares are to be issued; not less than one year has, at the date of such issue, elapsed since the date on which the company had commenced business; and where the equity shares of the company are listed on a recognized stock exchange, the sweat equity shares are issued in accordance with the regulations made by the Securities and Exchange Board in this behalf and if they are not so listed, the sweat equity shares are issued in accordance with the prescribed rules. |
| Installments of Shares to be duly paid | 20 | If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided. |
| The Board may issue Shares as fully paid-up | 21 | Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares. |
| Acceptance of Shares | 22 | Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member. |

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| Deposit and call etc., to be debt payable | 23 | The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly. |
| Liability of Members | 24 | Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof. |
| Dematerialization of securities | 25 A | <p>Definitions:</p> <p>Beneficial Owner "Beneficial Owner" means a person whose name is recorded as such with a Depository.</p> <p>SEBI "SEBI" means the Securities and Exchange Board of India.</p> <p>Bye-Laws "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;</p> <p>Depositories Act "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;</p> <p>Depository "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;</p> <p>Record "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;</p> <p>Regulations "Regulations" mean the regulations made by SEBI;</p> <p>Security "Security" means such security as may be specified by SEBI.</p> |
| Dematerialization of securities | 25 B | Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act. |
| Options to receive security certificates or hold securities with depository | 25 C | <p>Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.</p> <p>Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.</p> |
| Securities in depositories to be in fungible form | 25 D | All Securities held by a Depository shall be dematerialized and shall be in a fungible form; |
| Rights of depositories and beneficial owners | 25E | <p>Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;</p> <p>Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;</p> <p>Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company.</p> <p>The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.</p> |

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| Depository To Furnish Information | 25F | Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf. |
| Service of documents | 25 G | Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs. |
| Option to opt out in respect of any security | 25 H | If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be. |
| Sections 45 and 56 of the Companies Act, 2013 not to apply | 25I | Notwithstanding anything to the contrary contained in the Articles: Section 45 of the Companies Act, 2013 shall not apply to the Shares held with a Depository; Section 56 of the Companies Act, 2013 shall not apply to transfer of Security affected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository. |
| Share certificate | 26 | Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name. Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to anyone of such joint owners, on behalf of all of them. |
| Limitation of time for issue of certificates | 26 A | Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder. |
| Renewal of share certificates | 27 | No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn-out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company. PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized. |
| Issue of new certificate in place of one defaced, lost or destroyed | 28 | If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of |

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| | | such fees (not exceeding ₹2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. |
| | | Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf. |
| | | The provision of this Article shall mutatis mutandis apply to Debentures of the Company. |
| The first name joint holder deemed sole holder | 29 | If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles. |
| Issue of Shares without Voting Rights | 30 | In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law. |
| Buy-Back of Shares and Securities | 31 | Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 67 and SEBI (Buy Back of Shares) Regulations as may be permitted by law. |
| Employees Stock Options Scheme/Plan | 32 | The Directors shall have the power to offer , issue and allot Equity Shares in or Debentures (Whether fully/ partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust, plan or proposal that may be formulated , created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit. |
| Sweat Equity | 33 | Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition. |
| Postal Ballot | 34 | The Company may pass such resolution by postal ballot in the manner prescribed by Section 110 of the Companies Act, 2013 and such other applicable provisions of the Act and any future amendments or re-enactment thereof and as may be required by any other law including Listing Regulations as amended from time to time. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting such business in a general meeting of the Company. |
| Company not | 35 | Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, |

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| bound to recognize any interest in Shares other than of registered holder | | future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them. |
| Trust recognized | 36 | Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership. |
| Declaration by person not holding beneficial interest in any Shares | 37 | <p>Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.</p> <p>A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.</p> <p>Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, if so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act</p> <p>Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.</p> |
| Funds of Company not to be applied in purchase of Shares of the Company | 38 | No funds of the Company shall except as provided by Section 67 of the Companies Act, 2013 be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 52, 55 (to the extent applicable) of Companies Act, 2013 and Sections 80 and 100 to 105 of the Companies Act, 1956 and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company. |
| UNDERWRITING AND BROKERAGE | | |
| Commission may be paid | 39 | Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company. |

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| Brokerage | 40 | The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful. |
| Commission to be included in the annual return | 41 | Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Section 92 to the Companies Act, 2013. |
| DEBENTURES | | |
| Debentures with voting rights not to be issued | 42 | <p>The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.</p> <p>Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 327 of the Companies Act, 2013.</p> <p>Certain charges (which expression includes mortgage) mentioned in Section 77 of the Companies Act, 2013 shall be void against the Liquidator or creditor unless registered as provided in Section 77 of the Companies Act, 2013.</p> <p>A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.</p> <p>Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 56 of the Companies Act, 2013) within six months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture- stock allotted or transferred.</p> <p>The Company shall comply with the provisions of Section 71 of the Companies Act, 2013 as regards supply of copies of Debenture Trust Deed and inspection thereof.</p> <p>The Company shall comply with the provisions of Section 2(16), 77 to 87 (inclusive) of the Companies Act, 2013 as regards registration of charges.</p> |
| CALLS | | |
| Directors may make calls | 43 | <p>Subject to the provisions of Section 49 of the Companies Act, 2013 the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p> |
| Notice of call when to be given | 44 | Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid. |
| Call deemed to have been made | 45 | A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors. |
| Directors may extend time | 46 | The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour. |

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| Amount payable at fixed time or by installments to be treated as calls | 47 | If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly. |
| When interest on call or installment payable | 48 | If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding ten percent per annum as Directors shall fix from the day appointed for the payment thereof up to the time of actual payment but the Directors may waive payment of such interest wholly or in part. |
| Evidence in action by Company against share holder | 49 | On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt. |
| Payment in anticipation of calls may carry interest | 50 | <p>The Directors may, if they think fit, subject to the provisions of Section 50 of the Companies Act, 2013, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sum actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.</p> <p>The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.</p> <p>The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.</p> |
| LIEN | | |
| Partial payment not to preclude forfeiture | 51 | Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided. |
| Company's lien on Shares/ Debentures | 52 | The Company shall have first and paramount lien upon all Shares/Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article |

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| | | will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article. |
| As to enforcing lien by sale | 53 | <p>The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same.</p> <p>PROVIDED THAT no sale shall be made:- Unless a sum in respect of which the lien exists is presently payable; or Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.</p> <p>For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorize one of their members to execute a transfer there from on behalf of and in the name of such Members.</p> <p>The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.</p> |
| Application of proceeds of sale | 54 | <p>The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).</p> |
| FORFEITURE OF SHARES | | |
| If money payable on Shares not paid notice to be given | 55 | If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. |
| Sum payable on allotment to be deemed a call | 56 | For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment. |
| Form of notice | 57 | The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited. |
| In default of payment Shares to be forfeited | 58 | If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends |

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| | | declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture. |
| Notice of forfeiture to a Member | 59 | When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. |
| Forfeited Shares to be the property of the Company and may be sold etc. | 60 | Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit. |
| Member still liable for money owing at the time of forfeiture and interest | 61 | Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so. |
| Effects of forfeiture | 62 | The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved. |
| Power to annul forfeiture | 63 | The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit. |
| Declaration of forfeiture | 64 | <p>A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</p> <p>The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.</p> <p>The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.</p> <p>Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.</p> <p>Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.</p> |
| Provisions of these articles as to forfeiture to apply in case | 65 | The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. |

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| of non-payment of any sum | | |
| Cancellation of shares certificates in respect of forfeited Shares | 66 | Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto. |
| Evidence of forfeiture | 67 | The declaration as mentioned in Article 64(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. |
| Validity of sale | 68 | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. |
| Surrender of Shares | 69 | The Directors may subject to the provisions of the Act, accept surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit. |
| TRANSFER AND TRANSMISSION OF SHARES | | |
| No transfers to minors etc. | 70 | No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind. |
| Instrument transfer of | 71 | The instrument of transfer shall be in writing and all provisions of Section 56 of the Companies Act, 2013 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. |
| Application transfer for | 72 | An application for registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee. Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post. |
| Execution transfer of | 73 | The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 56 of the Companies Act, 2013 and any statutory modification thereof for the time being shall be duly complied with. |
| Transfer by legal representatives | 74 | A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer. |

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| Register of Members etc when closed | 75 | The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders , in accordance with Section 91 of the Companies Act, 2013 and rules made thereunder, at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board. |
| Directors may refuse to register transfer | 76 | Subject to the provisions of Section 58 & 59 of the Companies Act, 2013, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. |
| Death of one or more joint holders of Shares | 77 | In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognized by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person. |
| Titles of Shares of deceased Member | 78 | 78.The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 and 56 of the Companies Act, 2013. |
| Notice of application when to be given | 79 | Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Companies Act, 2013. |
| Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause) | 80 | Subject to the provisions of the Act and Article 77 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the |

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| | | provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause". |
| Refusal to register nominee | 81 | Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration. |
| Person entitled may receive dividend without being registered as a Member | 82 | A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share. |
| No fee on transfer or transmissions | 83 | No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document. |
| Transfer to be presented with evidence of title | 84 | Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. |
| Company not liable for disregard of a notice prohibiting registration of transfer | 85 | The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit. |
| CONVERSION OF SHARES INTO STOCK AND RECONVERSION | | |
| Share may be converted into stock | 86 | The Company may, by Ordinary Resolution convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares. |
| Transfer of stock | 87 | The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose. |
| Right of stockholders | 88 | The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them in Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets |

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| | | on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages. |
| Regulation applicable to stock and share warrant | 89 | Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Shareholder" in these regulations shall include "stock" and "stock holder" respectively. |
| BORROWING POWERS | | |
| Power to borrow | 90 | <p>Subject to the provisions of Sections 73, 74 and 179 of the Companies Act, 2013 and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source.</p> <p>PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.</p> |
| The payment or repayment of moneys borrowed | 91 | The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. |
| Bonds, Debentures, etc. to be subject to control of Directors | 921 | Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company. |
| Terms of issue of Debentures | 93 | Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution. |
| Mortgage of uncalled capital | 94 | If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed. |
| Indemnity may be given | 95 | Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or about to incur any liability as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be |

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| | | executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability. |
| RELATED PARTY TRANSACTIONS | | |
| Related Party Transactions | 96 | <p>Subject to the provisions of the Act, the Company may enter into contracts with the Related Party which are at arm's length and are in ordinary course of business of the company with approval of the Audit Committee.</p> <p>Subject to the provisions of the Act, the Company may enter into contracts with the related parties which are of such nature wherein it requires consent of shareholders in terms of Act or Listing Regulations or any other law for the time being in force, with approval of the shareholders in the general meeting.</p> |
| MEETING OF MEMBERS | | |
| Annual General Meeting | 97 | <p>An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next.</p> <p>Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time with which any Annual General Meeting may be held.</p> <p>Every Annual General Meeting shall be called at a time during business hours i.e. 9 a.m. to 6 p.m., on a day that is not a National holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.</p> <p>The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting.</p> <p>Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor.</p> <p>At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting.</p> <p>The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 92 and 137 of the Act.</p> |
| Report statement and registers to be laid before the Annual General Meeting | 98 | <p>The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.</p> |
| Extra-Ordinary General Meeting | 99 | <p>All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.</p> |
| Requisitionists' Meeting | 100 | <p>Subject to the provisions of Section 111 of the Companies Act, 2013, the Directors shall on the requisition in writing of such number of Members as is herein after specified:-</p> |

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| | | <p>Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.</p> <p>Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.</p> <p>The number of Members necessary for a requisition under clause (1) hereof shall be such number of Members as represent not less than one-tenth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or</p> <p>Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.</p> <p>The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:</p> <p>A copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.</p> <p>In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting;</p> <p>In the case of any other requisition, not less than two weeks before the Meeting, and</p> <p>There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company's expenses in giving effect thereto.</p> <p>PROVIDED THAT if, after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes thereof.</p> <p>The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Company Law Board is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.</p> <p>Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.</p> |
| Extra-Ordinary General Meeting by Board and by requisition When a Director or any two | 101 | <p>The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.</p> <p>If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid</p> |

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| Members may call an Extra-Ordinary General Meeting | | up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors. |
| Contents of requisition, and number of requisitionists required and the conduct of Meeting | 102 | <p>In case of requisition the following provisions shall have effect:</p> <p>The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.</p> <p>The requisition may consist of several documents in like form each signed by one or more requisitionists.</p> <p>The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.</p> <p>Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (c) shall apply separately in regard to each such matter and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:</p> <p>by the requisitionists themselves; or</p> <p>by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) whichever is less.</p> <p>PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 114 of the Companies Act, 2013.</p> |
| | | <p>A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them: shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but shall not be held after the expiration of three months from the date of deposit of the requisition.</p> <p>PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.</p> |
| | | Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them. |
| | | Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default. |

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| Length of notice of Meeting | 103 | <p>A General Meeting of the Company may be called by giving not less than twenty-one days notice inwriting.</p> <p>A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p> <p>In the case of Annual General Meeting by all the Members entitled to vote thereat; and</p> <p>In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.</p> <p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p> |
| Contents and manner of service of notice and persons on whom it is to be served | 104 | <p>Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.</p> <p>Subject to the provisions of the Act notice of every General Meeting shall be given; to every Member of the Company, in any manner authorized by Section 20 of the Companies Act, 2013</p> <p>to the persons entitled to a Share in consequence of the death or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and</p> <p>to the Auditor or Auditors for the time being of the Company</p> <p>Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p> |
| Special and ordinary business and explanatoy statement | 105 | <p>(a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to the consideration of the accounts, balance sheet, the reports of the Board of Directors and Auditors;</p> <p>the declaration of dividend;</p> <p>the appointment of Directors in the place of those retiring; and</p> <p>the appointment of, and the fixing of the remuneration of the Auditors, and</p> <p>(b) In the case of any other meeting, all business shall be deemed special.</p> <p>Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director.</p> <p>PROVIDED THAT where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up- share capital of the other company.</p> <p>Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p> |

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| Omission to give notice not to invalidate Proceedings | 106 | The accidental omission to give such notice as aforesaid to or non-receipt thereof by any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting. |
| MEETING OF MEMBERS | | |
| Notice of business to be given | 107 | No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting. |
| Quorum | 108 | <p>The quorum for General Meetings shall be as under:- five members personally present if the number of members as on the date of meeting is not more than one thousand; fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p> <p>No business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 113 of the Companies Act, 2013.</p> |
| If quorum not present when Meeting to be dissolved and when to be adjourned | 109 | If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called. |
| Resolution passed at adjourned Meeting | 110 | Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date. |
| Chairman of General Meeting. | 111 | At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman. |
| Act for resolution sufficiently done or passed by Ordinary | 112 | Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution. |

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| Resolution unless otherwise required | | |
| Business confined to election of Chairman whilst the Chair is vacant | 113 | No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant. |
| Chairman may adjourn Meeting | 114 | The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place. No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned Meeting. |
| How questions are decided at Meetings | 115 | Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles. |
| Chairman's declaration of result of voting on show of hands | 116 | A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution. |
| Demand of poll | 117 | .Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand. |
| Time of taking poll | 118 | A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken. |
| Chairman's casting vote | 119 | In the case of equality of votes, the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member. |
| Appointment of scrutinizers | 120 | Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutinizers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The |

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| | | Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause. |
| Demand for poll not to prevent transaction of other business | 121 | The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded. |
| Special notice | 122 | Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, the notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting. |
| VOTES OF MEMBERS | | |
| Member paying money in advance not to be entitled to vote in respect thereof | 123 | A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable. |
| Restriction on exercise of voting rights of Members who have not paid calls | 124 | No Member shall exercise any voting rights in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien. |
| Number of votes to which Member entitled | 125 | <p>Subject to the provisions of Article 123, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorized) have one vote and on a poll, when present in person (including a body corporate by a duly authorized representative), or by an agent duly authorized under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company.</p> <p>Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in sub-section (2) of Section 47 of Companies Act, 2013) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares.</p> <p>A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.</p> |

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| Votes of Members of unsound mind | 126 | A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy. |
| Votes of joint Members | 127 | If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorized under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled there to but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorized under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof. |
| Representation of body corporate | 128 | <p>A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorize such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorized by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.</p> <p>Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.</p> |
| Votes in respects of deceased or insolvent Members | 129 | Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof. |
| Voting in person or by proxy | 130 | Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorized in accordance with Section 105 of the Companies Act, 2013. |
| Rights of Members to use votes differently | 131 | On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses |
| Proxies | 132 | Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and |

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| | | vote instead of himself. PROVIDED that a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company. |
| Proxy either for specified meeting or for a period | 133 | An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting. |
| No proxy to vote on a show of hands | 134 | No proxy shall be entitled to vote by a show of hands. |
| Instrument of proxy when to be deposited | 135 | The instrument appointing a proxy and the Power of Attorney or authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the Registered Office of the Company atleast forty eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid. |
| Form of Proxy | 136 | Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms as prescribed in the Companies Act, 2013, and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorized by it. |
| Validity of votes given by proxy notwithstanding revocation of authority | 137 | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked. |
| Time for objection to vote | 138 | No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting. |
| Chairman of any Meeting to be the judge of Validity of any value | 139 | The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive. |
| Custody of Instrument | 140 | If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy there of examined with the original shall be delivered to the Company to remain in the custody of the Company. |
| DIRECTORS | | |

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| Number of Directors | 141 | Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Companies Act, 2013, the number of Directors shall not be less than three and not more than fifteen. |
| | 141 A | First Directors of the Company were: Sri Prakash Agarwal Sailesh Kumar Gupta |
| Appointment of Directors | 142 | The appointment of Directors of the Company shall be in accordance with the provisions of the Act and these Articles, to the extent applicable. |
| Debenture Directors | 143 | Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein. |
| Nominee Director or Corporation Director | 144 | Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/their places. |
| | | The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company. |
| | | The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall ipso facto vacate such office immediately on the moneys owing by the Company to the Corporation being paid off. |
| | | The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes. |
| | | The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation |

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| | | or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation. |
| | | Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him. |
| Special Director | 145 | <p>In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaboration" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.</p> <p>The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to make the appointment.</p> |
| Limit on number of non-retiring Directors | 146 | The provisions of Articles 143, 144 and 145 are subject to the provisions of Section 152 of the Companies Act, 2013 and number of such Directors appointed shall not exceed in the aggregate one third of the total number of Directors for the time being in office. |
| Alternate Director | 147 | The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director. |
| Directors may fill in vacancies | 148 | The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the |

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| | | date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election. |
| Additional Directors | 149 | Subject to the provisions of Section 161 of the Companies Act, 2013 the Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board (“Additional Director”) so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only up to the date of the next Annual General Meeting and shall be eligible for election at such Meeting. |
| Qualification shares | 150 | A Director need not hold any qualification shares. |
| Directors’ sitting fees | 151 | The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine. |
| Extra remuneration to Directors for special work | 152 | <p>Subject to the provisions of Sections 188 and 197 of the Companies Act, 2013, if any Director, being willing, shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.</p> <p>Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either: by way of monthly, quarterly or annual payment with the approval of the Central Government; or by way of commission if the Company by a Special Resolution authorized such payment.</p> |
| Traveling expenses incurred by Directors on Company’s business | 153 | The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified. |
| Director may act notwithstanding vacancy | 154 | The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes. |
| Board resolution necessary for certain contracts | 155 | <p>Subject to the provisions of Section 188 of the Companies Act, 2013, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company:</p> <p>For the sale, purchase or supply of goods, materials or services; or for underwriting the subscription of any Share in or debentures of the Company; nothing contained in clause (a) of sub-clause (1) shall affect:-</p> |

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| | | <p>the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business.</p> <p>PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.</p> |
| | | <p>Notwithstanding any contained in sub-clause (1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.</p> <p>Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which was entered into</p> |
| | | <p>If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.</p> <p>The Directors, so contracting or being so interested shall not be liable to the Company for any profit realized by any such contract or the fiduciary relation there by established.</p> |
| Disclosure to the Members of Directors' interest in contract appointing Managers, managing Director or Whole-time Director | 156 | <p>When the Company:-</p> <p>enters into a contract for the appointment of a Managing Director or Whole-time Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or</p> <p>varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 190 of the Companies Act, 2013 shall be complied with.</p> |
| Directors of interest General notice of disclosure | 157 | <p>A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Companies Act, 2013.</p> <p>A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 184 of the Companies Act, 2013 shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.</p> |
| Directors and Managing | 158 | <p>Subject to the provisions of the Act the Directors (including a Managing Director and Whole time Director) shall not be disqualified by reason of his or their office as such from holding</p> |

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| Director may contract with Company | | office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 184 of the Companies Act, 2013 and in this respect all the provisions of Section 184 and 189 of the Companies Act, 2013 shall be duly observed and complied with. |
| Disqualification of the Director | 159 | A person shall not be capable of being appointed as a Director of the Company if:- he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force; he is an un-discharged insolvent; he has applied to be adjudged an insolvent and his application is pending; he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence; he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or an order disqualifying him for appointment as Director has been passed by a Court, unless the leave of the Court has been obtained for his appointment. |
| Vacation of office by Directors | 160 | The office of Director shall become vacant if:- he is found to be of unsound mind by a Court of competent jurisdiction; or he applies to be adjudged an insolvent; or he is adjudged an insolvent; or he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 185 of the Companies Act, 2013; or he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 184 of the Companies Act, 2013; or he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or if by notice in writing to the Company, he resigns his office, or having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company. |
| Vacation of office by | 161 | Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 160 hereof, the disqualification referred to in these clauses shall not take effect: for thirty days from the date of the adjudication, sentence or order; |

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| Directors (contd.) | | <p>where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p> |
| Removal of Directors | 162 | <p>The Company may subject to the provisions of Section 169 and other applicable provisions of the Companies Act, 2013 and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 242 of the Companies Act, 2013 before the expiry of his period of office.</p> <p>Special Notice as provided by these Articles or Section 115 of the Companies Act, 2013 shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.</p> |
| | | <p>On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so: in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and</p> <p>send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late\or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting:</p> <p>Provided that copies of the representation need not be sent or read out at the Meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rightsconcernedbythissub-clausearebeingabusedtosecureneedlesspublicity for defamatory matter.</p> |
| | | <p>A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 161 of the Companies Act, 2013 be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>If the vacancy is not filled under sub-clause (e) hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 148 or Section 161 of the Companies Act, 2013 and all the provisions of that Article and Section shall apply accordingly</p> <p>Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.\</p> <p>Nothing contained in this Article shall be taken:- as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or as derogating from any power to remove a Director which may exist apart from this Article.</p> |

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| Interested Directors not to participate or vote in Board's proceedings | 163 | <p>No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void.</p> <p>Provided however, that nothing herein contained shall apply to:-</p> <p>any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</p> <p>any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;</p> <p>in his being:</p> <p>a director of such company; and</p> <p>the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or</p> <p>in his being a member holding not more than two percent of its paid-up share capital.</p> |
| Director may be director of companies promoted by the Company | 164 | <p>A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 197 or Section 188 of the Companies Act, 2013 may be applicable.</p> |
| ROTATION AND APPOINTMENT OF DIRECTORS | | |
| Rotation of Directors | 165 | <p>Not less than two third of the total number of Directors shall:</p> <p>Be persons whose period of the office is liable to termination by retirement by rotation and</p> <p>Save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.</p> |
| Retirement of Directors | 166 | <p>Subject to the provisions of Articles 145 and 147, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.</p> |
| Retiring Directors | 167 | <p>Subject to the provisions of Section 152 of the Companies Act, 2013 and Articles 143 to 154, at every Annual General Meeting of the Company, one- third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 180, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.</p> |
| Appointment of Technical or Executive Directors | 168 | <p>The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.</p> <p>Subject to the provisions of Section 161 of the Companies Act, 2013 if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.</p> |
| Ascertainment of | 169 | <p>Subject to Section 152 of the Companies Act, 2013 the Directors retiring by rotation under Article 167 at every Annual General Meeting shall be those, who have been longest in office</p> |

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| Directors retiring by rotation and filling of vacancies | | since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot. |
| Eligibility for re-election | 170 | A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the Meeting at which he retires. |
| Company to fill vacancies | 171 | At the General Meeting, at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto. |
| Provision in default of appointment | 172 | <p>If the place of retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:</p> <p>at that Meeting or the previous Meeting a resolution for the re- appointment of such Director has been put to the Meeting and lost.</p> <p>the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be re-appointed.</p> <p>he is not qualified or is disqualified for appointment.</p> <p>a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or</p> <p>section 162 of the Companies Act, 2013 is applicable to the case.</p> |
| Company may increase or reduce the number of Directors or remove any Director | 173 | Subject to the provisions of Section 149 and 152 of the Companies Act, 2013 the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications. |
| Appointment of Directors to be voted individually | 174 | <p>No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it.</p> <p>A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.</p> <p>For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.</p> |
| Notice of candidature for office of Directors except in certain cases | 175 | No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days' notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director for that office as the case may be, along with a deposit of one lakh rupees or such higher amount as may be prescribed which shall be refunded to such person or, as the case may be, to such Member, if the person succeeds in getting elected as a Director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution. |

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| | | <p>The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office in such manner as may be prescribed.</p> <p>Every person (other than Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Companies Act, 2013 signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.</p> <p>A person other than:</p> <p>a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or</p> <p>an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Companies Act, 2013 appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.</p> |
| Disclosure by Directors of their holdings of their Shares and debentures of the Company | 176 | Every Director and every person deemed to be Director of the Company by virtue of Section 170 of the Companies Act, 2013 shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given. |
| Votes of Body Corporate | 177 | A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote. |
| MANAGING DIRECTOR | | |
| Powers to appoint Managing Director | 178 | Subject to the provisions of Section 196 and 203 of the Companies Act, 2013 the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole-time Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and Companies Act, 1956, to the extent applicable. Subject to the provisions of Section 152 of the Companies Act, 2013 the Managing Director shall not be, while he continues to hold that office, subject to retirement by rotation. |
| Remuneration of Managing Director | 179 | Subject to the provisions of Sections 196 and 197 of the Companies Act, 2013 a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company. |

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| Special position of Managing Director | 180 | Subject to any contract between him and the Company, a Managing or Whole- time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause. |
| Powers of Managing Director | 181 | The Director may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being such of the powers exercisable under these provisions by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions, as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers. |
| | 182 | The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole- time Directors of the Company and may exercise all the powers referred to in these Articles. |
| | 183 | Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign, accept and endorse cheques on behalf of the Company. |
| | 184 | The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit. |
| | 185 | Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company. |
| Appointment and powers of Manager | 186 | The Board may, from time to time, appoint any person as Manager (under Section 2(53) of the Companies Act, 2013) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient. |
| WHOLE TIME DIRECTOR | | |
| Power to appoint Whole-Time Director and/or Whole-time Directors | 187 | Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine and thinks fit. The Board may by ordinary resolution and/or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers, |

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| | | <p>authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period or periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and/or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors/persons nominated under Article 188 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.</p> |
| To what provisions Whole time Directors shall subject | 188 | <p>Subject to the provisions of Section 152 of the Companies Act, 2013 and these Articles, a Whole Time Director or Whole Time Directors shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/they shall be subject to the same provision as to resignation and removal as the other Directors and he/they shall ipso facto and immediately ceases or otherwise cease to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act in any Annual General Meeting and shall be re-appointed as a Director or Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.</p> |
| Seniority of Whole Time Director and Managing Director | 189 | <p>If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article, the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company.</p> |
| PROCEEDINGS OF THE BOARD OF DIRECTORS | | |
| Meeting of Directors | 190 | <p>The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 173 of the Companies Act, 2013 allow otherwise, Directors shall so meet at least once in every three months and at least four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.</p> |
| Quorum | 191 | <p>Subject to Section 174 of the Companies Act, 2013 the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or two Directors whichever is higher.</p> <p>PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of directors who are not interested present at the Meeting being not less than two shall be, the quorum during such time.</p> <p>For the purpose of clause(a)</p> <p>"Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and "Interested Directors" mean any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.</p> |

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| Procedure when Meeting adjourned for want of quorum | 192 | If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place. |
| Chairman of Meeting | 193 | The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting. |
| Question at Board meeting how decided | 194 | Subject to the provisions of Section 203 of the Companies Act, 2013 questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote. |
| Powers of Board meeting | 195 | A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act, or the Articles for the time being of the Company which are vested in or exercisable by the Board of Directors generally. |
| Directors may appoint Committee | 196 | The Board of Directors may subject to the provisions of Section 179 and other relevant provisions of the Companies Act, 2013 and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board. |
| Meeting of the Committee how to be governed | 197 | The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two. |
| Circular resolution | 198 | <p>A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 197 shall subject to the provisions of sub-clause (b) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.</p> <p>A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.</p> |
| Acts of Board or Committee valid notwithstanding defect in appointment | 199 | All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered; that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; provided nothing in the Article shall be deemed to give validity |

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| | | to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated. |
| POWERS OF THE BOARD | | |
| General powers of management vested in the Board of Directors | 200 | The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. |
| | | Provided that the Board shall not, except with the consent of the Company in General Meeting :- sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking; remit, or give time for the repayment of, any debt due by a Director, invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time; |
| | | borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body; Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) of as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause(e) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature. |
| Certain powers to be exercised by the Board only at Meetings | 201 | Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board; the power to make calls, on shareholders in respect of money unpaid on their Shares, the power to issue Debentures, the power to borrow moneys otherwise than on Debentures, the power to invest the funds of the Company, and the power to make loans Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub- clause (c),(d) and (e) to the extent specified below. |

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| | | <p>Every resolution delegating the power referred to in sub-clause (1)(c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.</p> <p>Every resolution delegating the power referred to in sub-clause (1)(d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.</p> <p>Every resolution delegating the power referred to in sub-clause (1)(e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.</p> |
| Certain powers of the Board | 202 | <p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:</p> <p>To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</p> <p>To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.</p> <p>Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> |
| | | <p>At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p>To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.</p> <p>To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.</p> <p>To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.</p> <p>To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made there on.</p> <p>To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.</p> <p>To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p> <p>Subject to the provisions of Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or</p> |

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| | | <p>without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.</p> <p>To execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.</p> |
| | | <p>To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.</p> <p>To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of the working expenses of the Company.</p> <p>To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p> <p>Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p> |
| | | <p>To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal,</p> |

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| | | <p>medical or economic advisors, research workers, laborers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.</p> <p>To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.</p> <p>From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.</p> <p>Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorize the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.</p> |
| | | <p>At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.</p> <p>Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p> <p>From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.</p> <p>To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.</p> <p>To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors</p> |

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| | | may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. |
| | | <p>To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.</p> <p>To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on freehold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>To improve, manage, develop, exchange, lease, sell, resell and re- purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p> |
| MANAGEMENT | | |
| Appointment of different categories of Key managerial personnel | 203 | The Company shall have the following whole-time key managerial personnel: managing director, or Chief Executive Officer or manager and in their absence, a whole-time director; company secretary; and Chief Financial Officer |
| Same person may be Chairperson of the Board and MD/CEO | 203 A | The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company. |
| MINUTES | | |
| Minutes to be made | 204 | The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within |

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| | | <p>thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed:</p> <p>in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting. in the case of minutes of proceeding of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.</p> |
| Minutes to be evidence of the proceeds Books of minutes of General Meeting to be kept | 205 | <p>The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein. The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 119 and Section 120 of the Companies Act, 2013 and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.</p> |
| Presumptions | 206 | <p>Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 118 of the Companies Act, 2013 until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.</p> |
| THE SECRETARY | | |
| Secretary | 207 | <p>The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called “the Secretary”) to perform any functions, which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies Act, read with rules made thereunder.</p> |
| The Seal, its custody and use | 208 | <p>The Board shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p> |
| DIVIDENDS AND CAPITALISATION OF RESERVES | | |
| Division of profits | 209 | <p>Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares; No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.</p> |
| The Company at | 210 | <p>The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the</p> |

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| General Meeting may declare dividend | | Company shall comply with the provisions of Section 127 of the Companies Act, 2013 but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting. |
| Dividends out of profits only | 211 | No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 123 of the Companies Act, 2013. |
| Interim Dividend | 212 | The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies. |
| Debts may be deducted | 213 | The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same. |
| Capital paid-up in advance to carry interest, not the right to earn dividend | 214 | Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits. |
| Dividends in proportion to amounts paid-up | 215 | All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly. |
| No Member to receive dividend while indebted to the Company and the Company's right in respect thereof | 216 | No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company. |
| Effect of transfer of Shares | 217 | A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer. |
| Dividend to joint holders | 218 | 218. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares. |
| Dividend how remitted | 219 | The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled |

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| | | thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means. |
| Notice of dividend | 220 | Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided. |
| Reserves | 221 | The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit. |
| Dividend to be paid within time required by law. | 222 | The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-where the dividend could not be paid by reason of the operation on any law; or where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or where there is dispute regarding the right to receive the dividend; or where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company. |
| Unpaid or unclaimed dividend | 223 | Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Avax Apparels and Ornaments Limited (year) Unpaid Dividend Account". Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 125 of the Companies Act,2013.No unclaimed or unpaid dividend shall be forfeited by the Board. |
| Set-off of calls against dividends | 224 | Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls. |
| Dividends in cash | 225 | No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company. |
| Capitalisation | 226 | The Company in General Meeting may, upon the recommendation of the Board, resolve: That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and That such sum be accordingly set free for distribution in the manner specified in clause amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards; paying up any amount for the time being unpaid on any Shares held by such Members respectively, or |

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| | | <p>paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)</p> <p>A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of un issued Shares to be issued to Members of the Company as fully paid bonus shares.</p> |
| Board to give effect | 227 | The Board shall give effect to the resolution passed by the Company in pursuance of above Article. |
| Fractional certificates | 228 | <p>Whenever such a resolution as aforesaid shall have been passed, the Board shall; make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and</p> <p>Generally do all acts and things required to give effect thereto.</p> <p>The Board shall have full power:</p> <p>to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares.</p> <p>Any agreement made under such authority shall be effective and binding on all such Members. That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.</p> |
| ACCOUNTS | | |
| Books to be kept | 229 | <p>The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:</p> <p>all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place</p> <p>all sales and purchases of goods by the company</p> <p>the assets and liabilities of the Company and</p> <p>if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government</p> <p>Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.</p> <p>Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause(1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.</p> |
| Inspection by Members | 230 | No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorized by the Board. |

| Title of Article | No. | Content |
|--|-----|---|
| Statements of accounts to be furnished to General Meeting | 231 | The Board of Directors shall from time to time in accordance with Sections 129, 133, and 134 of the Companies Act, 2013, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act. |
| Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 136 | 232 | The Company shall comply with the requirements of Section 136 of the Companies Act, 2013. The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting. |
| Accounts to be audited | 233 | Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors. |
| Appointment of Auditors | 234 | Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 146 of the Companies Act, 2013. The Company shall at each Annual General Meeting appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting. The company shall place the matter relating to such appointment for ratification by members at every annual general meeting. The company shall also inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed. The company or shall not appoint or re-appoint— an individual as auditor for more than one term of five consecutive years; and an audit firm as auditor for more than two terms of five consecutive years: Provided that— an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term; an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term: Subject to the provisions of Clause (1) and the rules made thereunder, a retiring auditor may be re-appointed at an annual general meeting, if— he is not disqualified for re-appointment; he has not given the company a notice in writing of his unwillingness to be re-appointed; and a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed. Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company. Any casual vacancy in the office of an auditor shall be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting. Special notice shall be required for a resolution at an annual general meeting appointing as auditor a person other than a retiring auditor, or providing expressly that a retiring auditor |

| Title of Article | No. | Content |
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| | | shall not be re-appointed, except where the retiring auditor has completed a consecutive tenure of five years or, as the case may be, ten years, as provided under Clause(3). |
| Accounts when audited and approved to be conclusive except as to errors discovered within 3 months | 235 | Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive. |
| DOCUMENTS AND NOTICES | | |
| To whom documents must be served or given | 236 | Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company |
| Members bound by documents or notices served on or given to previous holders | 237 | Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share. |
| Service of documents on the Company | 238 | A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office. |
| Authentication of documents and proceedings | 239 | Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorized officer of the Company and need not be under the Seal of the Company. |
| REGISTERS AND DOCUMENTS | | |
| Registers and documents to be maintained by the Company | 240 | <p>The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:</p> <ul style="list-style-type: none"> Register of investments made by the Company but not held in its own name, as required by Section 187 of the Companies Act, 2013 Register of mortgages and charges as required by Section 85 of the Companies Act, 2013 and copies of instruments creating any charge requiring registration according to Section 85 of the Companies Act, 2013. Register and index of Members and debenture holders as required by Section 88 of the Companies Act, 2013. Foreign register, if so thought fit, as required by Section 88 of the Companies Act, 2013. Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Companies Act, 2013. Register of Directors and Secretaries etc. as required by Section 170 of the Companies Act, 2013. |

| Title of Article | No. | Content |
|---------------------------------------|-----|---|
| | | <p>Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 170 of the Companies Act,2013.</p> <p>Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 186 of the Companies Act,2013.</p> <p>Copies of annual returns prepared under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Companies Act,2013.</p> |
| Inspection of Registers | 241 | <p>The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.</p> |
| WINDING UP | | |
| Distribution of assets | 242 | <p>242.If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.</p> |
| Distribution in specie or kind | 243 | <p>If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.</p> <p>If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act. In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.</p> |
| Right of shareholders in case of sale | 244 | <p>A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.</p> |

| Title of Article | No. | Content |
|---|-----|--|
| Directors and others right to indemnity | 245 | <p>Every Director or officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any.</p> <p>contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court.</p> |
| Director, officer not responsible for acts of others | 246 | <p>Subject to the provisions of Section 201 of the Act, no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.</p> |
| SECRECY CLAUSE | | |
| Secrecy Clause | 247 | <p>Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p> |
| No Member to enter the premises of the Company without permission | 248 | <p>No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be in expedient in the interest of the Company to disclose.</p> |
| GENERAL | | |
| General Power | 249 | <p>Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.</p> |

SECTION XIV-OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus to be delivered to the RoC for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered office: 611 6th Floor Jaina tower 2, Distt Center Janakpuri, Delhi 110058, India.

From the date of filing this Prospectus with the Stock Exchange to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

MATERIAL CONTRACTS

1. Issue Agreement dated February 1, 2023 between our company and the Lead Manager.
2. Agreement dated February 1, 2023 between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated August 1, 2024 among our Company, the Lead Manager, The Banker to the Issue/Public Issue Bank/Sponsor Bank, and the Registrar to the Issue.
4. Underwriting Agreement dated August 1, 2024 between our company and the Underwriters.
5. Market making Agreement dated November 14, 2024 between our company, the Lead Manager and the Market Maker.
6. Tripartite Agreement dated November 9, 2022 between NSDL, our Company and Registrar to the Issue; and
7. Tripartite Agreement dated November 9, 2022 between CDSL, our Company and Registrar to the Issue.

MATERIAL DOCUMENTS FOR THE ISSUE

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated December 23, 2022 in relation to the Issue and other related matters.
3. Shareholders' resolution dated December 30, 2022 in relation to the Issue and other related matters.
4. Consents of Promoter, Promoter Group, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, the Lead Manager, Registrar to the Issue, Peer review Auditor, Legal Advisor and Market Maker to act in their respective capacities.
5. Peer Review Auditors Report dated October 28, 2024 on Restated Financial Statements of our Company for the period ended 30th September 2024, 31st March 2024, 31st March, 2023 and 31st March 2022.
6. The Report dated October 28, 2024 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Prospectus.
7. The Report dated October 28, 2024 by Legal Advisor to the Company confirming status of Outstanding Litigation and Material Development.
8. Copy of approval from BSE SME vide letter dated August 08, 2024 to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
9. Due diligence certificate submitted to BSE SME dated December 26, 2024 from Lead Manager to the Issue.

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

SECTION XV- DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We further certify that all the statements made in this Prospectus are true and correct.

| Signed by the Directors of our Company | | | | |
|---|-----------------------------|--------------------------|--|------------------|
| S.N. | Name | Category | Designation | Signature |
| 1. | Mr. Harinderpal Singh Sodhi | Executive | Managing Director | Sd/- |
| 2. | Mr. Harish Kumar | Executive | Whole Time Director | Sd/- |
| 3. | Mrs. Deepika | Executive | Whole Time Director | Sd/- |
| 4. | Mr. Amitabh Agarwal | Non-Executive | Independent Director | Sd/- |
| 5. | Mr. Pradeep Srivastava | Non-Executive | Independent Director | Sd/- |
| 6. | Mr. Gurvinder Singh Vohra | Non-Executive | Independent Director | Sd/- |
| Signed by the Chief Financial Officer and Company Secretary of our Company | | | | |
| 7. | Mr. Rajesh Singla | Key Management Personnel | Chief Financial Officer | Sd/- |
| 8. | Mrs. Shruti Jain | Key Management Personnel | Company Secretary & Compliance Officer | Sd/- |

Place: New Delhi

Date: December 26, 2024

ANEXURE A

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY
SKI CAPITAL SERVICES LIMITED:**

TABLE 1

| <i>Sr. No.</i> | <i>Issue Name</i> | <i>Issue Size (Rs. in Cr.)</i> | <i>Issue Price (Rs.)</i> | <i>Listing Date</i> | <i>Opening Price on Listing Date (Rs.)</i> | <i>+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30th Calendar Days from Listing</i> | <i>+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90th Calendar Days from Listing</i> | <i>+/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180th Calendar Days from Listing</i> |
|----------------|-------------------------------------|--------------------------------|--------------------------|---------------------|--|--|--|---|
| 1 | Macobs Technologies Limited | 19.46 | 75/- | July 24, 2024 | 96/- | 48.16% [3.39%] | 44.84%[1.87%] | - |
| 2 | TechEra Engineering (India) Limited | 35.89 | 82/- | October 03, 2024 | 125/- | 29.45% [-0.25%] | - | - |

SUMMARY STATEMENT OF DISCLOSURE

TABLE 2

| <i>Financial Year</i> | <i>Total No. of IPOs</i> | <i>Total Funds Raised (Rs. in Cr.)</i> | <i>Nos. of IPO trading at discount as on 30th calendar day from listing date</i> | | | <i>Nos. of IPO trading at premium as on 30th calendar day from listing date</i> | | | <i>Nos. of IPO trading at discount as on 180th calendar day from listing date</i> | | | <i>Nos. of IPO trading at premium as on 180th calendar day from listing date</i> | | |
|-----------------------|--------------------------|--|---|-----------------------|----------------------|--|-----------------------|----------------------|--|-----------------------|----------------------|---|-----------------------|----------------------|
| | | | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> |
| 2024-25* | 2 | 55.36 | - | - | - | - | 2 | - | - | 1 | - | - | - | - |

*As on date of this Prospectus