



**Draft Red Herring Prospectus**  
**Dated: July 05, 2024**  
**Please read Section 26 and 32 of the Companies Act, 2013**  
*(This Draft Red Herring Prospectus will be updated upon filing with ROC)*  
**100% Book Built Issue**

**NIKITA PAPERS LIMITED**  
**Corporate Identification Number: U74899DL1989PLC129066**

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL & TELEPHONE	WEBSITE
A-10 Floor 1st Land Mark Near Deepali Chowk Saraswati Vihar, Pitampura, North West, New Delhi, India - 110034	C-10, Industrial Estate Panipat Road, Sharnli, Muzaffarnagar, Uttar Pradesh, India, 247776	Ms. Shefali Gupta	<a href="mailto:info@nikitapapers.com">info@nikitapapers.com</a> +91-7300712189	<a href="http://www.nikitapapers.com">www.nikitapapers.com</a>
<b>NAME OF PROMOTER(S) OF THE COMPANY</b>				
MR. ASHOK KUMAR BANSAL, MR. SUDHIR KUMAR BANSAL, MR. AYUSH BANSAL, MR. ABHINAV BANSAL, MR. ANUJ BANSAL, ASHOK KUMAR BANSAL & SONS HUF, NARESH CHAND BANSAL & SONS HUF, SUDHIR KUMAR BANSAL & SONS HUF, AYUSH BANSAL & SONS HUF, ABHINAV BANSAL & SONS HUF AND ANUJ BANSAL & SONS HUF				
<b>DETAILS OF OFFER TO PUBLIC, PROMOTERS/ SELLING SHAREHOLDERS</b>				
Type	Fresh Issue Size (by amount in Rs. Lakh)	OFS* Size (by amount in Rs. Lakh)	Total Issue Size (by amount in Rs. Lakh)	Eligibility
Fresh Issue	Upto 64,94,400 Equity Shares aggregating to Rs. [●]	Nil	Upto 64,94,400 Equity Shares aggregating to Rs. [●]	<b>THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.</b>
<b>Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders</b>				
Name	Type	No. of shares offered/ Amount in Rs.	WACA in Rs. Per Equity Shares	
Nil				
<i>P: Promoter, PG: Promoter Group, OSS: Other Selling Shareholders, WACA: Weighted Average Cost of Acquisition on fully diluted basis</i>				
<b>RISKS IN RELATION TO THE FIRST ISSUE</b>				
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 our Equity Shares is ₹10/- each. The Floor Price, Cap Price and the Issue Price (as determined by our Company, in consultation with the BRLM, in accordance with SEBI (ICDR) Regulations, and as stated in "Basis for Issue Price" beginning on [●]) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
<b>GENERAL RISK</b>				
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 this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to section titled "Risk Factors" appearing on page no.28 of this Draft Red Herring Prospectus.				
<b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Draft Red Herring 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 make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.				
<b>LISTING</b>				
The Equity Shares issued through Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").				
<b>LEAD MANAGER TO THE ISSUE</b>			<b>REGISTRAR TO THE ISSUE</b>	
 <b>Fastrack Finsec</b> Category-I Merchant Banker  <b>FAST TRACK FINSEC PRIVATE LIMITED</b> <b>SEBI Registration No.</b> INM000012500 Office No. V-116, 1 <sup>st</sup> Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001 <b>Tel No.:</b> +91-11-43029809 <b>Contact Person:</b> Mr. Rakesh/Ms. Sakshi <b>Email:</b> <a href="mailto:mb@ftfinsec.com">mb@ftfinsec.com</a> ; <a href="mailto:investor@ftfinsec.com">investor@ftfinsec.com</a> ; <b>Website:</b> <a href="http://www.ftfinsec.com">www.ftfinsec.com</a>			 <b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b> <b>SEBI Registration No.:</b> INR000003241 D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020 <b>Tel No:</b> +91-11-40450193-97; <b>Fax No:</b> +91-11-26812683 <b>Contact Person:</b> Mr. Anuj Rana <b>Email:</b> <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> <b>Website:</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a>	
<b>OFFER PROGRAMME</b>				
ANCHOR PORTION ISSUE OPENS/CLOSES ON* : [●]		ISSUE OPENS ON: [●]		ISSUE CLOSES ON: [●]**

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.



**Draft Red Herring Prospectus**  
**Dated: July 05, 2024**  
**Please read Section 26 and 32 of the Companies Act, 2013**  
*(This Draft Red Herring Prospectus will be updated upon filing with ROC)*  
**100% Book Built Issue**



**NIKITA PAPERS LIMITED**

Our Company was originally incorporated as a Private Limited Company with the name "Nikita Papers Private Limited" pursuant to a certificate of incorporation dated August 18, 1989 issued by the RoC in accordance with provisions of the Companies Act, 1956. Thereafter upon conversion into a public company, pursuant to a shareholders' resolution dated May 26, 2003, the name of the company finally changed to "Nikita Papers Limited" and fresh certificate of incorporation was issued by the RoC dated June 12, 2003. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U74899DL1989PLC129066. For further details of incorporation please refer to section titled "Our History and Certain Other Corporate Matters" beginning on page no.205 of this Draft Red Herring Prospectus.

**Registered Office:** A-10 Floor Ist Land Mark Near Deepali Chowk Saraswati Vihar Pitampura, North West, Delhi, India - 110034

**Corporate Office:** C-10, Industrial Estate Panipat Road, Sharnli, Muzaffarnagar, Uttar Pradesh, India - 247776

**CIN:** U74899DL1989PLC129066; **Website:** [www.nikitapapers.com](http://www.nikitapapers.com); **E-Mail:** [info@nikitapapers.com](mailto:info@nikitapapers.com)

**Company Secretary and Compliance Officer:** Ms. Shefali Gupta; **Telephone No.:** +91-79054 62919

**PROMOTERS:** Mr. Ashok Kumar Bansal, Mr. Sudhir Kumar Bansal, Mr. Ayush Bansal, Mr. Abhinav Bansal, Mr. Anuj Bansal, Ashok Kumar Bansal & Sons HUF, Naresh Chand Bansal & Sons HUF, Sudhir Kumar Bansal & Sons HUF, Ayush Bansal & Sons HUF, Abhinav Bansal & Sons HUF and Anuj Bansal & Sons HUF

**THE ISSUE**

INITIAL PUBLIC ISSUE OF UPTO 64,94,400 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF NIKITA PAPERS LIMITED ("NIKITA", "NPL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN ALL EDITIONS OF ENGLISH DAILY NEWSPAPER, HINDI NEWSPAPER AND REGIONAL LANGUAGE NEWSPAPER WITH WIDE CIRCULATION [●] AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS KINDLY REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 317 OF THIS DRAFT RED HERRING PROSPECTUS.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), read with Regulation 229 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process in terms of Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs and such portion, the "QIB Portion"). Our Company and the Selling Shareholder, may in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("Anchor Investor Allocation Price"), in accordance with SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 2.00 lakhs and upto ₹ 10.00 lakhs; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹ 10.00 lakhs, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of non-institutional investors\* and not less than 35% of Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, (except Anchor Investors), are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Accounts (as defined hereinafter) including UPI ID in case of RIBs in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For further details, please see the chapter titled "Issue Procedure" beginning on page no. 327.

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page no. 327 of this Draft Red Herring Prospectus. A copy of Draft Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 26 of the Companies Act, 2013.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs.10/-The Issue Price as stated under the chapter titled "Basis for the Issue Price" beginning on page no. 119 of this Draft Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page no.28 of this Draft Red Herring Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Draft Red Herring 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 make this Draft Red Herring 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 Red Herring Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in Issue document for listing our shares on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). For this Issue, the designated Stock Exchange is the National Stock Exchange of India Limited ("NSE").

**LEAD MANAGER**



**Fastrack Finsec**  
 Category-I Merchant Banker

**FAST TRACK FINSEC PRIVATE LIMITED**

**SEBI Registration No.** INM000012500

Office No. V-116, 1<sup>st</sup> Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001 | Tel No.:

+91-11-43029809

**Contact Person:** Mr. Rakesh/Ms. Sakshi

**Email:** [mb@ftfinsec.com](mailto:mb@ftfinsec.com); [investor@ftfinsec.com](mailto:investor@ftfinsec.com) | **Website:** [www.ftfinsec.com](http://www.ftfinsec.com)

**REGISTRAR TO THE ISSUE**



**SKYLINE FINANCIAL SERVICES**

**PRIVATE LIMITED**

**SEBI Registration No.:** INR000003241

D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020

**Tel No:** +91-11-40450193-97; **Fax No:** +91-11-26812683

**Contact Person:** Mr. Anuj Rana

**Email:** [ipo@skylinerta.com](mailto:ipo@skylinerta.com) | **Website:** [www.skylinerta.com](http://www.skylinerta.com)

**OFFER PROGRAMME**

**ANCHOR PORTION ISSUE OPENS/CLOSES**  
 ON\* : [●]

**ISSUE OPENS ON\*:** [●]

**ISSUE CLOSES ON\*:** [●]

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

*THIS PAGE HAS BEEN LEFT 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

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Possible Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page no. 127, 237 and 367 respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

Term	Description
“Nikita” or “NPL”, or “our Company” or “the Issuer” or “the Company” and “Nikita Papers Limited”	Nikita Papers Limited, a company incorporated under the Companies Act 1956, having its registered office at A-10, First floor, Near Deepali Chowk, Saraswati Vihar, Pitampura, Delhi-110034, India.
“We”, “us” and “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue.

#### Company Related Terms

Terms	Description
Articles / Articles of Association/ AOA	Articles of Association of Nikita Papers Limited, as amended from time to time.
Associate Companies	A Company in which any other company has a significant influence, but which is not a subsidiary of the company having such influence and includes a joint venture company.  For the purposes of this Definition: - (a) the expression “significant influence” means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement; (b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled “Our Management” on page no. 209 of this Draft Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company, being M/s Mittal Goel & Associates, Chartered Accountants having firm registration number (FRN) '017577N
Board of Directors / Board/ Director(s)	The Board of Directors of Nikita Papers Limited, including all duly constituted committees thereof.



Banker to the Company	Punjab National Bank and HDFC Bank.
Central Registration Centre (CRC)	It's an initiative of Ministry of Corporate Affairs (MCA) in Government Process Re-engineering (GPR) with the specific objective of providing speedy incorporation related services in line with global best practices. For more details, please refer <a href="http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html">http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html</a>
Central Processing Centre (CPC)	Central Processing Centre (CPC) has been established by Ministry of Corporate Affairs (MCA) to process forms filed as part of various regulatory requirements under Companies Act and Limited Liability Partnership Act (LLP Act) in a centralized manner, requiring no physical interaction with the stakeholders.
CIN	U74899DL1989PLC129066
Companies Act	The Companies Act, 1956 and the Companies Act, 2013.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Shefali Gupta.
Chief Financial Officer	The Chief Financial Officer of our Company being Mr. Atul Aeron
Corporate Social Responsibility Committee	The Committee of the Board of Directors constituted as the Company's Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled "Our Management" on page no.209 of this Draft Red Herring Prospectus
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time, being National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified. For details of our directors, see "Our Management" on page no. 209 of this Draft Red Herring Prospectus.
DP/ Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
DP ID	Depository's Participant's Identity Number
Equity Shares	Equity Shares of our Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding equity shares of our Company.
Executive Director	Executive Directors of our Company, which includes our Managing Director.
Group Companies	The Group Companies of our Company, includes companies (other than promoter and subsidiary) 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 set forth in "Our Group Entities" on page no. 232 of this Draft Red Herring Prospectus.
HUF	Hindu Undivided Family.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI Listing Regulations
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number of our Company, being INE0FLF01015



Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the chapter titled “Our Management” on page no. 209 of this Draft Red Herring Prospectus.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Nikita Papers Limited.
Materiality Policy	The policy on identification of group companies, material creditors and Material litigation, adopted by our Board on April 30, 2024 in accordance with the requirements of the SEBI ICDR Regulations.
Managing Director/MD	The Managing Director of our Company, namely Mr. Ashok Kumar Bansal
Non-Residents	A person resident outside India, as defined under FEMA.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted as the Company’s Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled “Our Management” on page no. 209 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director. There is no such Non-Executive Directors in our Company.
NRIs / Non-Resident Indians	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
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 or Our Promoters	Promoters of our Company being, Mr. Ashok Kumar Bansal, Mr. Sudhir Kumar Bansal, Mr. Ayush Bansal, Mr. Abhinav Bansal, Mr. Anuj Bansal, Ashok Kumar Bansal & Sons HUF Naresh Chand Bansal & Sons HUF, Sudhir Kumar Bansal & Sons HUF, Ayush Bansal & Sons HUF, Abhinav Bansal & Sons HUF and Anuj Bansal & Sons HUF.
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 the chapter titled “Our Promoters Group”. For further details refer page no. 229 of this Draft Red Herring Prospectus.
Registered Office	The Registered Office of our Company is located at A-10, first floor, near Deepali Chowk Saraswati Vihar, Pitampura Delhi 110034.
Restated Financial Statements/Restated Financial Information	The Restated Financial Information of our Company, which comprises the Restated Statement of Assets and Liabilities, the Restated Statement of Profit and Loss, the Restated Statement of Cash Flows for the year ended March 31, 2024, 2023 and 2022 along with the summary statement of significant accounting policies read together with the annexures and notes thereto. Our Company prepared in accordance with Indian GAAP 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	Registrar of Companies, NCT of Delhi & Haryana
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.



SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
SEBI (Takeover) Regulations or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Shareholders	Shareholders of our Company, from time to time.
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as the Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled "Our Management" on page 209 of this Draft Red Herring Prospectus.
Stock Exchange	Unless the context requires otherwise, refers to, the Emerge Platform of National Stock Exchange of India Limited.
Subsidiary	Means a company defined under section 2(87) the Companies Act, 2013. Our Company does not have any subsidiary.

### Offer Related Terms

Terms	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of prospectus as may be specified by the SEBI in this behalf.
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
Allotment Date	Date on which the Allotment is made.
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	Rs. [•]/- per equity share i.e. the price at which Equity Shares were made available for allocation to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which was decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Lot Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/ Issue Period	[•], being one working day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors was submitted and allocation to the Anchor Investors was completed.
Anchor Investor Issue Price	Rs. [•]/- per equity share being the final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Portion	Up to 60% of the QIB Portion consisting of [•] Equity Shares of face value of ₹ 10/- each which were allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations.
Applicant(s) / Investor(s)	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus.

<b>Terms</b>	<b>Description</b>
Application Lot	[●] Equity Shares and in multiples thereof.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Red Herring 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)/applicant(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 being [●]
Banker to the Offer and/or Sponsor Bank Agreement	Agreement dated [●] entered into between our Company, Book Running Lead Manager, the Registrar to the Offer, Banker to the Offer and Sponsor Bank for collection of the Application Amount on the terms and conditions thereof.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “Issue Procedure” beginning on page no. 327 of this Draft Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Bid Lot	[●] Equity Shares of face value of ₹ 10/- each and in multiples of [●] Equity Shares of face value of ₹ 10/- each thereafter
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.

Terms	Description
Book Running Lead Manager (BRLM)	Book Running Lead Manager to the Issue, in this case being Fast Track Finsec Private Limited, SEBI Registered Category I Merchant Banker.
Business Day	Monday to Friday (except public holidays)
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Controlling Branch	Such branch of the SCSBs which 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 <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> ; or at such other website as may be prescribed by SEBI from time to time.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable)
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/transfer to the successful Applicants.
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited (NSE EMERGE)
Draft Red Herring Prospectus	Draft Red Herring Prospectus filed with NSE Emerge for obtaining In-Principal approval.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
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 Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Emerge Platform of NSE Limited	The Emerge Platform of National Stock Exchange of India Limited for listing equity shares offered under Chapter IX of the SEBI (ICDR) Regulation which was approved by SEBI as an SME Exchange.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.

Terms	Description
Escrow Account	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
First/ Sole Applicant	The applicant whose name appears first in the Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be Finalized and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and certain other amendments to applicable laws and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI and included in the chapter "Issue Procedure" on page no. 327 of this Draft Red Herring Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/Initial Public Offering/ IPO	Initial Public Issue of 64,94,400 Equity Shares of face value of Rs.10/- each fully paid up of our Company for cash at a price of Rs. [•] per Equity Share (including a premium of Rs. [•] per Equity Share) aggregating Rs. [•].
Issue Agreement	The Issue agreement dated April 30, 2024 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 i.e. [•]
Issue Opening Date	The date on which Issue opens for subscription i.e. [•]
Issue Period	The period between the Offer Opening Date and the Offer Closing Date, inclusive of both days, during which prospective Applicant(s) can submit their applications, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Prospectus. Provided, however, that the Offer Period shall be kept open for a minimum of three Working Days for all categories of Applicant(s). In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholder may, in consultation with the Lead Manager, for reasons to be recorded in writing, extend the Offer Period for a minimum of three Working Days, subject to the Offer Period not exceeding 10 Working Days.

Terms	Description
Issue Price	The price at which the equity shares are being issued by our Company under this Draft Red Herring Prospectus being Rs. [•]/- per Equity Share of face value of Rs.10/- each fully paid.
Issue Proceeds	Proceeds from the Issue will be, being Rs. [•].
Listing Agreement	The equity listing agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Maker	Market Makers appointed by our Company from time to time being [•] having SEBI registration number [•] who have agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for 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 [•]
Market Maker Reservation Portion	The Reserved Portion of [•] equity shares of face value of Rs.10/- each fully paid for cash at a price of Rs. [•] per equity share aggregating Rs. [•] for the Market Maker in this Issue.
Mutual Fund(s) Portion	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 [•] Equity Shares of Rs.10/- each of Issuer at Rs. [•] (including share premium of Rs. [•] per equity share aggregating to Rs. [•])
Net QIB	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled "Objects of the Issue" beginning on page no. 110 of this Draft Red Herring Prospectus.
Non-Institutional Applicant/Investor	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs. 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.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [•] and the maximum price (Cap Price) of ₹ [•]. The Price Band will be decided by our Company in consultation with the BRLM and advertised in [•] editions of [•] (a widely circulated English national daily newspaper), [•] editions of [•] (a widely circulated Hindi national daily newspaper) and Hindi editions of [•] (a Hindi language newspaper with wide circulation, Hindi being the regional language of Delhi, where our Registered Office is located), at least two working days prior to the Bid / Issue Opening Date.
Public Issue Account	Account opened with the Banker to the Issue/Public Issue Bank i.e. [•] 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 to be filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.

Terms	Description
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 fund 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 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, provident fund with minimum corpus of Rs. 2,500 Lakh, pension fund with minimum corpus of Rs. 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.
Red Herring Prospectus/RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.
Refund Account	Account(s) to which monies 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 being [•].
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Offer	Registrar to the Offer being Skyline Financials Services Private Limited. For more information, please refer “General Information” on page 66 of this Draft Red Herring 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/RII	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000.
SCSB/s	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html</a> or at such other website as may be prescribed by SEBI from time to time.
SME Platform of NSE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations.
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 in order to push the mandate collect requests and / or payment instructions of the retail investors into the UPI. In this case being [•]
Underwriter	Underwriter to this Issue is [•]
Underwriting Agreement	The agreement dated [•] entered into between [•] and our Company.



Terms	Description
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Circular	Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, 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, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Issue in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Wilful Defaulter and Fraudulent Borrower	A wilful defaulter(s) and fraudulent borrower(s) as defined under SEBI ICDR Regulations.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days means, all days on which commercial banks in the city as specified in this Draft Red Herring Prospectus are open for business. 1. However, in respect of announcement of price band and bid/ Offer period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Draft Red Herring Prospectus are open for business. 2. In respect to the time period between the bid/ Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Sundays and bank holidays in accordance with circular issued by SEBI.

#### Conventional Terms / General Terms / Abbreviations/ Business, Technical and Industry related Terms

Abbreviation	Full Form
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupee
“Consolidated FDI	Consolidated Foreign Direct Investment Policy notified by DPIIT through

<b>Abbreviation</b>	<b>Full Form</b>
Policy” or “FDI Policy”	notification issued by DPIIT, effective from October 15, 2020
“Financial Year” or “Fiscal Year” or “FY”	Period of 12 months ending March 31 of that particular year
“OCBs” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
A/c	Account
AC	Alternating current
ACS	Associate Company Secretary
AGM	Annual General Meeting
Amt.	Amount
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
BIS	Bureau of Indian Standards
CAGR	Compounded Annual Growth Rate
Carpet Area	The area of the apartment excluding the thickness of inner walls.
CAN	Confirmation Allocation Note
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CBx	Corrugation Boxes
CBg	Carry Bags
CHCEM	Campus Houses Cutting-Edge Machines
CDSL	Central Depository Services (India) Limited
CEEW	Council on Energy, Environment and Water
CERC	Central Electricity Regulatory Commission
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Cr.	Crore
CL	Chemist Lab
DC	Direct Current
CS	Company Secretary
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository(ies)	A depository registered with SEBI under the Securities and Exchange

Abbreviation	Full Form
	Board of India (Depositories and Participants) Regulations, 2018
DIN	Director Identification Number
DP	Depository Participant
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
ECB	External Commercial Borrowings
ECB Master Directions	Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 issued by the RBI
ECS	Electronic Clearing System
EGM	Extra-ordinary General Meeting
EPS	Earnings Per Share
EPC	Engineering, Procurement and Construction
EPFO	Employee Provident Fund Organization
ESI	Employee State Insurance
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and theregulations framed there under
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce & Industry
FII	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
FM	Fluting Medium
F&NG	Father and Natural Guardian
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwisestated
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
IBEF	India Brand Equity Foundation
INR	Indian Rupees
IIP	Index of Industrial Production
IPMA	Indian Paper Manufacturers Association
GDP	Gross Domestic Product
GoI/Government	Government of India
GSM	Grams Per Square Meters
GST	Goods and Services Tax
GW	Gigawatts, Further 1 GW is equivalent to 1,000 MW
HUF	Hindu Undivided Family
IT	Information Technology
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICAI	Institute of Chartered Accountants of India

<b>Abbreviation</b>	<b>Full Form</b>
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time
ISIN	International Securities Identification Number
IT	Information Technology
KPI	Key Performance Indicator
KW	Kilowatt
KVA	kilovolt-ampere
MAPIN	Market Participants and Investors' Integrated Database
MAT	Minimum Alternate Tax
MC	Manufacturing Capabilities
MCA	The Ministry of Corporate Affairs, GoI
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
Mn	Million
MPPT	Maximum Power Point Tracking
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
MT	Metric Tonnes
MSME	Micro, Small and Medium Enterprises
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
MW	Megawatt
N.A.or NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
Net Worth	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NGT	National Green Tribunal
No.	Number
NPV	Net Present Value
NRE	Non- residential external
NRE Account	Non-Resident External Account
NRI	Non-Resident Indians
NRO	Non- resident ordinary

<b>Abbreviation</b>	<b>Full Form</b>
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSM	National Solar Mission
OCB	Overseas Corporate Bodies
OCI	Overseas Citizen of India
ODI	Off-shore Derivate Instruments
OSP	Other Service Provider
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
Plots	Parcel of land demarcated through boundary
PWM	Pulse-width modulation
PV Module	Photovoltaic modules
PM 1	Paper Machine 1
PM 2	Paper Machine 2
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Bn	Billion
Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
RERA	Real Estate Regulatory Authority
SARFAESI ACT	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SAT	Securities Appellate Tribunal
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds)

Abbreviation	Full Form
	Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a state in India
Stock Exchange	Unless the context requires otherwise, refers to, the National Stock Exchange of India Limited
Sec.	Section
Sq Mtr.	Square Meters
STT	Securities Transaction Tax
Super Area	The built-up area added to share of common areas which includes staircases, reception, lift shafts, lobbies, club houses and so on
TG	Turbine Capacity
TDS	Tax Deducted at Source
TPS	Thermal Power Stations
Trademarks Act	Trademarks Act, 1999, as amended
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites 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, 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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for 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 authorize 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 a RII to make an application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018.
UPI PIN	Password to authenticate UPI transaction
UPS	Uninterruptible Power Supply
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.
WTP	Water Treatment Plant



## **CERTAIN CONVENTION, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION**

### **CERTAIN CONVENTION**

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company” “NPL”, unless the context otherwise indicates or implies, refers to “Nikita Papers Limited”.

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

Our Company has presented numerical information in “lakhs” units, excluding no. of shares and unless expressed specified. One lakh represents 1,00,000.

Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

### **FINANCIAL DATA**

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled “Financial Statements”, as Restated beginning on page 237 this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Draft Red Herring 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 GAAP, 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 own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring 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 Draft Red Herring 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 GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled “Financial Statements, as Restated” beginning on page 237 of this Draft Red Herring Prospectus.

### **CURRENCY AND UNITS OF PRESENTATION**

In this Draft Red Herring Prospectus, references to Rupees or INR or Rs. 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 Draft Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in the Draft Red Herring 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.

## **EXCHANGE RATE**

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

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## FORWARD LOOKING STATEMENTS

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

*These forward-looking statements can generally be identified by words or phrases such as "will", "aim", "will likely 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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:*

- Our ability to successfully implement our growth strategy and expansion plans;
- Our Company's inability to meet its working capital requirements or maintain its existing credit facilities
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Our inability to maintain quality standards;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Changes in the competition landscape;
- Our inability to respond to new innovations in our industry;
- Any adverse outcome in the legal proceedings in which we and our promoters are involved;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- General social and political conditions in India which have an impact on our business activities or investments;
- Adverse natural calamities having significant impact on our business;
- Other Factors beyond our control
- Developments affecting the Indian economy;
- Loss of consumers;

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 28, 176 and 288, respectively of this Draft Red Herring Prospectus.

Forward-looking statements reflects views as of the date of the Draft Red Herring Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimating 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. Neither our Company / our directors nor the Lead Manager, nor any of its 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 listing and trading permission is granted by the Stock Exchange(s).



## SECTION II - SUMMARY OF OFFER DOCUMENTS

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled 'Risk Factors', 'The Issue', 'Capital Structure', 'Objects of the Issue', 'Industry Overview', 'Our Business', 'Restated Financial Information', 'Outstanding Litigation and Material Developments', 'Issue Procedure' and 'Main Provisions of the Articles of Association' beginning on at pages 28, 59, 76, 110, 130, 176, 237, 298, 327 and 367 respectively, of this Draft Red Herring Prospectus.

### SUMMARY OF OUR BUSINESS OVERVIEW

Nikita Papers Limited is a Public Limited Company initially incorporated as Private Limited Company on August 18, 1989. It was subsequently converted into a Public Limited Company on June 12, 2003. The Company is engaged in manufacture of kraft paper and has been in existence for more than three decades with satisfactory business performance.

The Company is having its registered office at A-10, First Floor, Near Deepali Chowk, Saraswati Vihar, Pitampura, New Delhi 110034. Sh. Ashok Kumar Bansal is the Managing Director of the Nikita Group who carries immense experience of more than 35 years in the industry and more than 25 years in paper industry.

Nikita Papers Ltd. is a NIKITA GROUP company engaged in manufacturing of Kraft Paper since 1992 to cater to the Specialty Paper Market in India. The Directors of company are educated and have long experience of more than 25 years of Paper manufacturing and Distribution apart from experience in other industries.

In 1991, a manufacturing Unit in the name of Nikita Papers Ltd. was established at Industrial Estate, Panipat Road, Shamli (U.P) to manufacture Kraft paper with 30 Tons per Day Capacity. The company has undergone through many expansion & modernizations time to time as per the demand of the market to maintain its standard and the paper quality of the company is well established in the paper market. At present the installed capacity of the company is approx. 133000 M.T. per annum. The company is manufacturing Kraft paper of 80- 200 GSM in different B.F. Range.

For detailed information please refer chapter titled "Our Business" on [•] of the Draft Red Herring Prospectus

### SUMMARY OF OUR INDUSTRY IN WHICH THE COMPANY IS OPERATING

#### *An Overview of Indian Paper Industry*

According to Indian Paper Manufacturers Association (IPMA), the country ranks among the top 15 major paper producers globally and accounts for about 5% of the world's paper production. The estimated turnover of the industry is INR 80,000 crore and its contribution to the exchequer is around INR 5,000 crore. Paper is a labour-intensive industry in India. The industry provides direct employment to 0.5 million persons, and indirectly to around 1.5 million.

In FY 2023, boasting an annual capacity of 30.73 million Tonnes Per Annum (TTPA), India manufactured 23.67 million tonnes of paper and paperboard in FY 2023. This translates to approximately 88% of the capacity utilisation by the industry.



### **Major Challenges faced by Indian Paper Industry**

The major challenges faced by Indian paper industry is availability of raw materials. Inadequate raw material availability domestically is a major constraint for the paper industry. As per IPMA, over 90% of wood demand met through industry driven agro/farm forestry (1.2 million hectares); rest through Government sources and other sources. Current demand for pulpable wood by paper industry is estimated at 14 million tonnes per annum (TPA) while domestic availability is 9 – 10 million TPA.

In addition to this, rising prices of raw materials and power sources are also creating challenges in the industry. Prices of Coal, one of the major sources of energy for paper mills, have also been on the rise, with a large hike in September 2023, of nearly 27%. Similarly, PPI for wood pulp has also experienced several increases in prices, leading to increased cost and low margins for the paper mills in India.

For detailed information please refer chapter titled “Our Industry” on Page No. 130 of the Draft Red Herring Prospectus

### **PROMOTERS**

The promoters of our Company are Mr. Ashok Kumar Bansal, Mr. Sudhir Kumar Bansal, Mr. Ayush Bansal, Mr. Abhinav Bansal, Mr. Anuj Bansal, Ashok Kumar Bansal & Sons HUF, Naresh Chand Bansal & Sons HUF, Sudhir Kumar Bansal & Sons HUF, Ayush Bansal & Sons HUF, Abhinav Bansal & Sons HUF and Anuj Bansal & Sons HUF

For detailed information please refer chapter titled “Our Promoters” and “Our Promoter Group” on Page number 224 and 229 respectively of this Draft Red Herring Prospectus.

### **OFFER SIZE**

The following table summarizes the details of the Offer size:

<b>Offer of equity shares</b>	64,94,400 equity shares of face value Rs. 10/- each at a price of Rs. [●] each aggregating to Rs. [●] Lakhs.
<b>of which</b>	
<b>Fresh Issue</b>	64,94,400 Equity Shares of face value Rs. 10/- each at a price of Rs. [●] each aggregating to Rs. [●] Lakhs.
<b>Offer for Sale</b>	Not Applicable
<b>Market Maker</b>	[●] Equity Shares of face value Rs. 10/- each at a price of Rs. [●] each aggregating to Rs. [●] Lakhs.
<b>Net Issue (Fresh Issue – Market Maker)</b>	[●] Equity Shares of face value Rs.10/- each at a price of Rs. [●] each aggregating to Rs. [●] Lakhs.
<b>Out of net issue to public</b>	
<b>A. QIB Portion</b>	Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of which</b>	
<b>i) Anchor Investor Portion</b>	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)</b>	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of which</b>	
<b>(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)</b>	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>(b) Balance of QIB Portion for all QIBs including Mutual Funds</b>	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>B. Non-Institutional Portion</b>	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>C. Retail Portion</b>	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs

## OBJECTS OF THE ISSUE

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

(in lakhs)

S. No.	Particulars	Estimated Amount	% of total issue size	Amount to be financed from Issue Proceeds
A	To meet Capital Expenditure for setting up Power Plant	5000.00	[•]	5000.00
B	To meet Working Capital Requirements	500.00	[•]	500.00
C	General corporate purposes*	[•]	[•]	[•]
D	Issue related expenses	[•]	[•]	[•]
	<b>Total IPO Proceeds</b>	[•]	[•]	[•]

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

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy. (For further details, please refer chapter “Objects of the Issue” beginning from page no.110 of this Draft Red Herring Prospectus).

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

S. No.	Name of share holder	Pre-issue		Post-issue	
		No. of Equity Shares	% of Pre-Offer Capital	No. of Equity Shares	% of Post-Offer Capital
<b>Promoters</b>					
1.	Ashok Kumar Bansal	25,43,853	14.00	25,43,853	10.31
2.	Sudhir Kumar Bansal	17,75,930	9.77	17,75,930	7.20
3.	Ayush Bansal	2,98,490	1.64	2,98,490	1.21
4.	Abhinav Bansal	8,02,940	4.42	8,02,940	3.25
5.	Anuj Bansal	10,04,720	5.53	10,04,720	4.07
6.	Ashok Kumar Bansal & Sons HUF	2,94,500	1.62	2,94,500	1.19
7.	Naresh Chand Bansal & Sons HUF	3,05,387	1.68	3,05,387	1.24
8.	Sudhir Kumar Bansal & Sons HUF	1,65,490	0.91	1,65,490	0.67
9.	Ayush Bansal & Sons HUF	2,43,770	1.34	2,43,770	0.99
10.	Abhinav Bansal & Sons HUF	1,25,210	0.69	1,25,210	0.51
11.	Anuj Bansal & Sons HUF	63,650	0.35	63,650	0.26
	<b>Total – A</b>	<b>76,23,940</b>	<b>41.95</b>	<b>76,23,940</b>	<b>30.90</b>
<b>Promoter Group</b>					
12.	Sandhya Bansal	9,47,150	5.21	9,47,150	3.84
13.	Rachit Bansal	9,11,050	5.01	9,11,050	3.69
14.	Neera Bansal	7,53,350	4.15	7,53,350	3.05
15.	Antara Rakesh	5,83,490	3.21	5,83,490	2.37
16.	Mithllesh Bansal	17,53,320	9.65	17,53,320	7.11
17.	Suruchi Mittal	2,94,500	1.62	2,94,500	1.19
18.	Riha Bansal	1,66,250	0.91	1,66,250	0.67
	<b>Total – B</b>	<b>54,09,110</b>	<b>29.76</b>	<b>54,09,110</b>	<b>21.89</b>



<b>Grand Total (A+B)</b>	<b>1,30,33,050</b>	<b>71.71</b>	<b>130,33,050</b>	<b>52.79</b>
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For further details, see the chapter titled “Capital Structure” beginning on page 76 of this Draft Red Herring Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

(Amount in Lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2024	For the Year ended 31 <sup>st</sup> March 2023	For the Year ended 31 <sup>st</sup> March 2022
Share Capital	1,817.35	861.35	861.35
Net Worth	7,737.25	5,474.18	4,609.66
Total Revenue	34,678.28	40,130.91	35,848.57
Profit after Tax	1,659.53	864.52	695.21
EPS Basic and Diluted (in Rs)	9.81	5.28	7.05
EPS Basic and Diluted (adjusted, in Rs.)*	9.81	5.28	7.05
NAV per Equity Share (in Rs.)	42.57	63.55	53.52
NAV per Equity Share (adjusted in Rs.)*	42.57	33.45	28.17
<b>Total borrowings</b>			
- Long Term	4,808.70	6,851.32	7,751.48
- Short Term	14,115.15	9,450.94	4,722.83

\*These figures are adjusted to reconcile the Impact of bonus issue, pursuant to Accounting Standard 20 “Earnings Per Share” issued by ICAI and for presenting comparable figures.

## QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualifications requiring adjustments by the Peer reviewed auditors.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS

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

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings*	Actions by regulatory authorities	Amount Involved (Rs. in lakhs)
<b>Company</b>	<b>By</b>	-	-	-	-	-
	<b>Against</b>	-	-	-	-	-
<b>Promoter</b>	<b>By</b>	-	-	-	-	-
	<b>Against</b>	-	-	-	-	-
<b>Group Companies/Entities</b>	<b>By</b>	-	-	-	-	-
	<b>Against</b>	-	-	-	-	-
<b>Directors other than promoters</b>	<b>By</b>	-	-	-	-	-
	<b>Against</b>	-	-	-	-	-

\* The Company has received a Show Cause Notice under section 142(1) of CGST Act, 2017 raising a demand of Rs. 14,45,701/- for the period pertaining to Apr-18 to Mar-22. The Company has filed its reply to the said show cause notice. The decision to this notice is still pending.



For further details, please refer chapter titled “Outstanding Litigations & Material Developments” beginning on page 298 of this Draft Red Herring Prospectus.

## RISK FACTORS

For details relating to risk factors, please refer section titled “Risk Factors” beginning on page 28 of this Draft Red Herring Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

The following is a summary table of our contingent liabilities as of March 31, 2024:

Particulars	As on March 31, 2024 (Rs. in Lakh)
Contingent liabilities in respect of:	
• Claims against the company not acknowledged as debt	Nil
• Guarantees given	Nil
• Other money for which the company is contingently liable	Nil
• Commitments (to the extent not provided for)	Nil
• Uncalled liability on shares and other investments partly paid	Nil
• Tax litigations	14.46
• Others	189.15
<b>Total</b>	<b>203.61</b>

For details, see “Restated Financial Information – Annexure – VII (Restated Statement of Contingent Liabilities)” on page 270.

## SUMMARY OF RELATED PARTY TRANSACTIONS

A summary of Related Party Transaction for Last Three Financial Years is provided below:

a) Key Management Personnel (KMP)	
Managing Director (at the time of Transactions)	Date of Appointment
<b>Whole Time Director</b>	Ashok Kumar Bansal 8/18/1989
	Sandhya Bansal 6/2/2021
	Ayush Bansal 9/14/2004
<b>b) Relatives of Key Management</b>	Smt. Mithlesh Bansal
	Mr. Sudhir Kumar Bansal
	Smt. Neera Bansal
	Shri Anuj Bansal
	Shri Rachit Bansal
	Shri Abhinav Bansal
	Shri Sudhir Agarwal
	Smt. Riha Bansal
	Smt. Suruchi Bansal
	Smt. Antara Rakesh
	Smt. Sangita Gupta
	M/s N.C. Bansal & Sons (HUF)
	M/s S.K. Bansal & Sons (HUF)
	M/s Ashok Bansal & Sons (HUF)
M/s Ayush Bansal & Sons (HUF)	
M/s Anuj Bansal & Sons (HUF)	



	M/s Abhinav Bansal & Sons (HUF)
<b>c) Enterprise over which KMP and their relatives exercise significant influence</b>	Shamli Steels Private Limited
	Allianec Farms & Agriculture ltd
	Radiant Acids & alkalies Ltd.
	Shamli Packaging Industries
	Grreenit LLP
	Global link enviro LLP

**TRANSACTIONS WITH RELATED PARTIES:**

Name	Nature of Relationship	Nature of Transaction	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>ASHOK KUMAR BANSAL</b>	Key Managerial Person	Remuneration	24.00	21.50	17.50
		Loan Taken	117.47	67.20	5.75
		Rent Paid	1.28	1.28	1.28
		Loan Repaid	55.80	47.17	16.00
<b>AYUSH BANSAL</b>	Key Managerial Person	Remuneration	24.00	21.50	18.00
		Loan Taken	122.45	13.50	25.00
		Loan Repaid	-	38.50	10.00
<b>SANDHYA BANSAL</b>	Key Managerial Person	Remuneration	24.00	21.50	15.00
		Loan Taken	16.75	1.50	7.00
		Loan Repaid	48.45	10.70	
		Interest Paid	-	-	-
<b>N C BANSAL</b>	Relatives	Remuneration	-	-	1.50
		Loan Taken	-	-	-
		Loan Repaid	-	-	41.95
		Rent Paid	-	-	-
<b>SUDHIR BANSAL</b>	Relatives	Loan Taken	172.90	4.00	59.25
		Loan Repaid	73.15	31.55	40.50
		Rent Paid	1.38	1.38	1.38
		Interest Paid	-	6.47	9.33
<b>MITHLESH BANSAL</b>	Relatives	Loan Taken	33.25	22.70	27.75
		Loan Repaid	63.38	36.60	
		Interest Paid	-	9.93	6.15
		Rent Paid	1.10	1.10	1.10
<b>NEERA BANSAL</b>	Relatives	Loan Taken	15.65	-	32.50
		Loan Repaid	49.70	10.20	
		Interest Paid	-	4.35	2.95
<b>SANGITA GUPTA</b>	Relatives	Loan Taken	-	-	4.26
		Interest Paid	-	-	-

		Loan Repaid	-	-	0.01
<b>ANUJ BANSAL</b>	Relatives	Loan Taken	71.85	2.44	19.50
		Loan Repaid	9.90	0.90	31.70
		Interest Paid	-	1.77	2.14
<b>ABHINAV BANSAL</b>	Relatives	Loan Taken	94.59	-	-
		Loan Repaid	9.40	6.75	
		Interest Paid	-	4.05	4.78
<b>RACHIT BANSAL</b>	Relatives	Loan Taken	3.15	-	5.75
		Loan Repaid	0.65	6.28	30.00
		Interest Paid	-	0.58	1.95
<b>RIHA BANSAL</b>	Relatives	Loan Taken	-	-	15.00
		Loan Repaid	21.30	1.30	
		Interest Paid	-	2.87	1.04
<b>SURUCHI MITTAL</b>	Relatives	Loan Taken	26.90	6.50	18.50
		Loan Repaid	49.65	1.35	
		Interest Paid	-	2.48	0.58
<b>ANTARA RAKESH</b>	Relatives	Remuneration	12.00	12.00	11.10
		Loan Taken	1.40	26.85	21.00
		Loan Repaid	23.00	55.60	
		Interest Paid	-	7.67	5.03
<b>N.C BANSAL &amp; SONS HUF</b>	Relatives	Loan Taken	-	15.20	-
		Loan Repaid	96.01	58.65	4.00
		Interest Paid	-	15.69	13.88
<b>ASHOK BANSAL &amp; SONS HUF</b>	Relatives	Loan Taken	-	15.20	15.00
		Loan Repaid	58.96	6.15	4.90
		Interest Paid	-	6.27	4.28
<b>SK BANSAL &amp; SONS</b>	Relatives	Loan Taken	-	15.35	16.50
		Loan Repaid	100.75	7.10	11.00
		Interest Paid	-	10.67	8.54
<b>AYUSH BANSAL &amp; SONS HUF</b>	Relatives	Loan Taken	-	15.35	13.00
		Loan Repaid	90.47	6.92	8.12
		Interest Paid	-	9.68	7.56
<b>ABHINAV BANSAL &amp; SONS</b>	Relatives	Loan Taken	-	15.20	13.00
		Loan Repaid	65.89	5.15	5.25
		Interest Paid	-	6.78	4.84
<b>ANUJ BANSAL &amp; SONS</b>	Relatives	Loan Taken	-	15.35	15.00
		Loan Repaid	45.45	4.80	5.10
		Interest Paid	-	4.54	2.54



<b>GLOBAL LINK ENVIRO LLP</b>	Enterprise over which KMP and their relatives exercise significant influence	Loans Given	66.00	-	-
<b>GREENIT LLP</b>	Enterprise over which KMP and their relatives exercise significant influence	Purchase of Goods	1.54	8.07	4.00
		Sale of Goods		3.99	3.86
<b>SHAMLI STEELS PVT LTD</b>	Enterprise over which KMP and their relatives exercise significant influence	Purchase of Goods	2.76	21.23	45.94
		Sale of Goods	91.42	-	-
		Investment in Equity	-	-	100.00
<b>SHAMLI PACKAGING INDUSTRIES</b>	Enterprise over which KMP and their relatives exercise significant influence	Other Expenses	5.51	13.80	4.20
			-		-

For details of Related Party Transaction, please refer “Annexure – VIII (RELATED PARTY TRANSACTIONS)” on page 270 of this Draft Red Herring Prospectus.

## FINANCING ARRANGEMENTS

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

## WEIGHTED AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY OUR PROMOTER IN LAST ONE YEAR

The weighted average cost of acquisition of equity shares by our promoters in last one year which has been calculated by taking average amount paid by them to acquire our equity shares is as follows:

Name of shareholders	No. of shares bought or sold	Weighted Average Price (in Rs.)**
Ashok Kumar Bansal	12,04,983	0*
Sudhir Kumar Bansal	8,41,230	0*
Ayush Bansal	1,41,390	0*
Abhinav Bansal	3,80,340	0*
Anuj Bansal	4,75,920	0*
S.K. Bansal & Sons HUF	78,390	0*
N.C. Bansal & Sons HUF	1,44,657	0*
Ashok Kumar Bansal & Sons HUF	1,39,500	0*
Ayush Bansal & Sons HUF	1,15,470	0*
Abhinav Bansal & Sons HUF	59,310	0*
Anuj Bansal & Sons HUF	30,150	0*

\*In the preceding year, shares were acquired through Bonus.

\*\* As Certified by Mittal Goel & Associates., Chartered Accountants dated June 20, 2024.



## AVERAGE COST OF ACQUISITION OF THE EQUITY SHARE FOR THE PROMOTER

The average cost of acquisition per Equity Share by our promoters which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)*
Ashok Kumar Bansal	25,43,853	11.89
Sudhir Kumar Bansal	17,75,930	11.98
Ayush Bansal	2,98,490	16.44
Abhinav Bansal	8,02,940	13.98
Anuj Bansal	10,04,720	17.70
Ashok Kumar Bansal & Sons HUF	2,94,500	23.23
N.C Bansal & Sons HUF	3,05,387	11.98
S.K. Bansal & Sons HUF	1,65,490	9.07
Ayush Bansal & Sons HUF	2,43,770	24.56
Abhinav Bansal & Sons HUF	1,25,210	21.86
Anuj Bansal & Sons HUF	63,650	31.58

\* As Certified by Mittal Goel & Associates., Chartered Accountants dated June 20, 2024.

## DETAILS OF PRE-ISSUE PLACEMENT

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

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

Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, in last one year except as following:

Date of Allotment	No. of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Consideration	Nature of Allotment
December 28, 2023	86,08,500	10	N. A	No Consideration	Bonus Issue

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

Our Company has not done any sub-division of its equity shares in last one year.

## EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has not filed any exemption application with SEBI as on date of this Draft Red Herring Prospectus.

## SECTION III-RISK FACTORS

*Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, “Business Overview”, “The Issue”, “Industry Overview”, “Restated Financial Information”, “Outstanding Litigation and Other Material Developments”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 176, 59, 130, 237, 298, and 288 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled “Financial Information, as Restated” beginning on page 237 of this Draft Red Herring Prospectus.*

*Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial conditions and Red Herring Prospects.*

*This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.*

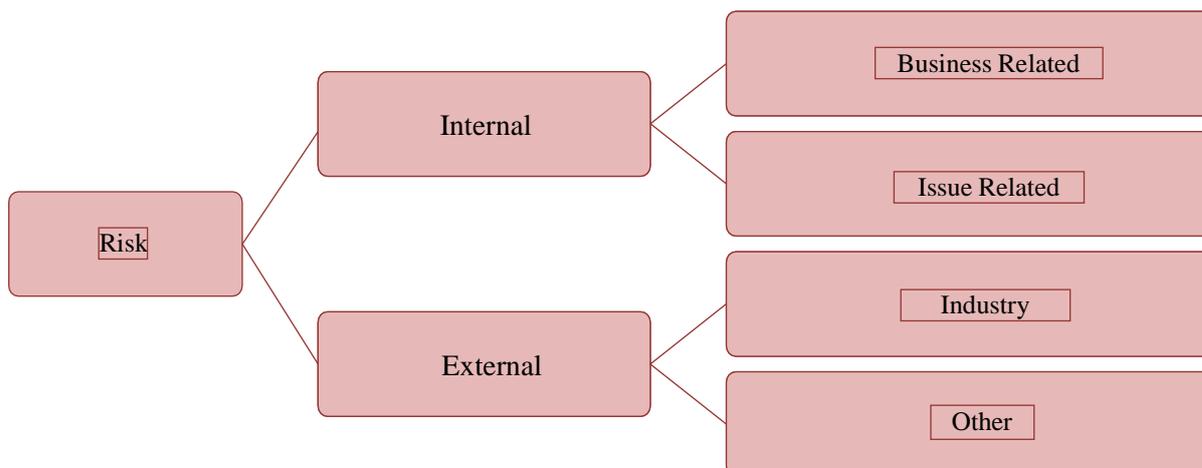
*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issuing unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.*

*The financial information in this section is, unless otherwise stated, derived from our Restated Standalone Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act, 2013, and SEBI (ICDR) Regulations.*

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

- 1. Some events may not be material individually but may be found material collectively.*
- 2. Some events may have material impact qualitatively instead of quantitatively.*
- 3. Some events may not be material at present but may be having material impact in the future.*

### Classification of Risk Factors



#### INTERNAL RISK FACTORS:

- 1. Raw material cost fluctuations impact the profitability and stability of businesses across various industries, necessitating adaptive strategies for procurement and pricing.***

Fluctuations in raw material costs can profoundly affect operational efficiency and overall profitability. Waste paper serves as a primary raw material for producing energy through processes like biomass conversion or waste-to-energy facilities. Fluctuations in the cost of waste paper can stem from factors such as changes in recycling rates, market demand for paper products, and global economic conditions. When waste paper costs rise, it increases the input expenses for energy production, potentially squeezing profit margins unless offset by increased energy prices or improved operational efficiency. Conversely, lower waste paper costs can enhance profitability, allowing for more competitive pricing or increased investment in technology and infrastructure. To navigate these fluctuations effectively, companies in the waste paper energy creation industry often employ strategies like optimizing collection and sorting processes, diversifying feedstock sources, and closely monitoring market trends to adapt their operations accordingly.

- 2. The Company is dependent on few numbers of customers for sales. Loss of any of this large customer may affect our revenues and profitability.***

Our top ten customers contributed 71.27%, 65.31%, and 71.87% of our total revenue from operations on restated standalone basis for the financial year ended on March 31, 2024, 2023 and 2022, respectively.

At present, our company does not have any long-term or exclusive arrangements with any of our customers and we cannot assure that we will be able to sell the quantities we have historically supplied to such customers. Further, our customers may source products from our competitors who may offer products similar to ours at a lower price, leading to reduced prices and hence lowering our margins. Most of our transactions with our business associates are typically on a purchase order basis without any commitment to a fixed volume of business. There can also be no assurance that our customers will renew their arrangements with us on current or similar terms, or at all. Further, our customers could change their business practices or seek to modify the terms that we have customarily followed with them, including their payment terms.

The table set forth below states contribution of Top 1/5/10 customers in our total revenue from operations on standalone basis:



Particulars	For the period ended 31/03/2024	For the period ended 31/03/2023	For the period ended 31/03/2022
Top 1 Customers (%)	13.99%	11.51%	12.52%
Top 5 Customers (%)	51.27%	42.14%	47.75%
Top 10 Customers (%)	71.27%	65.30%	71.89%

The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Any decline in our quality standards, growing competition and any change in the demand may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change, as we continue to add new customers 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 customers, there can be no assurance that we will be able to maintain long-term relationships with such customers or find new customers in time.

**3. Our Company has negative cash flows from its operating activities, investing activities as well as financing activities in the current and past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company has negative cash flows from our Operating and Investing activities in the current and previous years and in Financing activities in previous year as per the Restated Financial Statements and the same are summarized as under:

Net Cash Generated from	<i>(Amt in Lakhs)</i>		
	For the period ended 31/03/2024	For the period ended 31/03/2023	For the period ended 31/03/2022
Operating Activities	(1,257.25)	(1,301.99)	2,771.09
Investing Activities	(256.36)	(1,429.99)	(1,118.52)
Financing Activities	1,827.12	2,743.39	(1,575.74)

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

**4. Our production operations are geographically located in one area i.e., Shamli, Uttar Pradesh and any localized social unrest, natural calamities, etc. could have material adverse effect on business and financial operations.**

Our business operations are based and concentrated in one area i.e., Shamli, Uttar Pradesh. As a result, any localized social unrest, natural calamities, distress or breakdown of services and utilities in and around this region, could have material adverse effect on our business, financial position and results of operations. Further, any continuous addition of similar industries/competitors in and around these areas, without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure and also increase competition in the area, which may affect our business and results of operation. The prices we are able to obtain for our products that we trade depend largely on prevailing market prices.

The price of the products supplied by us has a significant impact on our profits. Some of our products have



been subject to price fluctuations due to shifts in supply and demand and other factors beyond our control. As a result, any fluctuation in prices could have a material adverse effect on our Company and our results of operations.

5. ***We are primarily dependent upon few key suppliers for procurement of raw materials. Any disruption in the supply of these raw materials or fluctuations in their prices could have a material adverse effect on our business operations and financial conditions.***

We rely on suppliers for raw materials and traded goods like paper rolls, printing chemicals, scanners etc., with whom we generally do not enter into any long-term supply contact or agreements. The order for the materials is placed on a requirement basis. If, there are any delays or disruptions in the supply of these materials from our suppliers, our ability to deliver the products may be affected. Any of our supplier’s failure to adhere to agreed timelines, whether due to their inability to comply with, or obtain, regulatory approvals, or otherwise, may result in delays and disruptions to our sales, increased costs, delayed payments for our products and damage to our reputation leading to an adverse effect on our results of operations.

In the event any of our supplier cease to be available to us at terms acceptable to us or we experience problems with, or interruptions in, such supplies, and we are unable to find other suppliers to provide similar materials on comparable terms and on a timely basis, our operations may be disrupted and our results of operations and financial condition may be adversely affected. For further details of our business, please refer chapter titled “Business Overview” beginning on page 176 of this Prospectus.

6. ***We may not be able to sustain historical growth in our revenue from operations and profit for year in future periods, which could have an adverse impact on our financial condition and results of operation.***

Our Company is in the growing phase of business cycle. Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products, we sell, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to raw material procurement, timely sales / order execution and continuous cost control of non-core activities.

Set forth below are details of our revenue from operations and profit after tax on standalone basis in the corresponding periods:

Particulars	<i>(Amt in Lakhs)</i>		
	For the period ended 31/03/2024	For the period ended 31/03/2023	For the period ended 31/03/2022
Revenue from Operations	33,860.08	39,833.21	35,641.08
% of Growth	-14.99	11.76	201.91
Profit After Tax	1,659.53	864.52	695.21
% of Growth	91.95	24.35	156.73

As part of our growth strategy, we have already initiated steps for brand development and strategies to increase our revenue of operations, and cater to wider markets. Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the timelines. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. A decrease in the demand for our products may result in a decrease in our revenue from operations and profitability. We cannot assure you that our growth strategy will continue to be successful or our revenue

from operations and profits will continue to increase at historical rates. Our inability to manage our business, profitability and growth strategy could have a material adverse effect on our business, financial condition, and results of operations.

For further information, including in relation to the increase in revenue from operations and profit after tax, please refer to chapter titled “*Management Discussion and Analysis of Financial Position and Results of Operations*” beginning from page 288.

**7. *Our Company has file certain forms with delayed fees and Company cannot assure that no proceedings or regulatory actions will be initiated against it in relation to the non-filing and delayed filing.***

Our company has filed certain forms with delayed fees with ROC. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

We would like to inform you that these are the certain forms with the company has filed with delayed fees with ROC: -

Sl. No.	Financial Year	Name of Form	Particulars of Form
1.	2014-15	MGT-14	For Authorizing any person under section 179 (3) (d) to (f)
		MGT-14	For approval of the Balance sheet as at 31st March, 2014
		MGT-14	For approval of the Directors Report along with the Extract of Annual Return prescribed in Form MGT 9 for the financial ended on 31 <sup>st</sup> March 2014
		MGT-14	For increasing the overall managerial remuneration of the Directors of the Company
2.	2015-16	MGT-14	For approval of the Balance sheet as at 31st March, 2015 and the Directors Report along with the Extract of Annual Return prescribed in Form MGT 9 for the financial ended on 31 <sup>st</sup> March 2015.
3.	2016-17	MGT-14	For approval of the Balance sheet as at 31st March, 2016 and the Directors Report along with the Extract of Annual Return prescribed in Form MGT 9 for the financial ended on 31 <sup>st</sup> March 2016.
4.	2017-18	MGT-14	For approval of the Balance sheet as at 31st March, 2017 and the Directors Report along with the Extract of Annual Return prescribed in Form MGT 9 for the financial ended on 31 <sup>st</sup> March 2017.
5.	2018-19	MGT-14	For approval of the Balance sheet as at 31st March, 2018
		MGT-14	For approval of the Directors Report along with the Extract of Annual Return prescribed in Form MGT 9 for the financial ended on 31 <sup>st</sup> March 2018
6.	2019-20	MGT-14	For approval of the Balance sheet as at 31st March, 2019 and the Directors Report along with the Extract of Annual Return prescribed in Form MGT 9 for the financial ended on 31 <sup>st</sup> March 2019.
7.	2020-21	MGT-14	For approval of the Balance sheet as at 31st March, 2020.
		MGT-14	For approval of the Directors Report along with the Extract of Annual Return prescribed in Form MGT 9 for the Financial ended on 31 <sup>st</sup> March 2020.
		DPT-3	Particulars of transactions by a company not considered as deposit as per rule 2(1)(c) of the Companies (Acceptance of Deposit)

			Rules, 2014.
		PAS-6	Reconciliation of Share Capital Audit Report (Half-yearly) (October to March)
8.	2021-22	MGT-14	For approval of the Balance sheet as at 31st March, 2021 and the Directors Report along with the Extract of Annual Return prescribed in Form MGT 9 for the financial ended on 31 <sup>st</sup> March 2021.
		PAS-6	Reconciliation of Share Capital Audit Report (Half-yearly) (March to September)
		PAS-6	Reconciliation of Share Capital Audit Report (Half-yearly) (October to March)
9.	2022-23	MGT-14	For approval of the Balance sheet as at 31st March, 2021 and the Directors Report along with the Extract of Annual Return prescribed in Form MGT 9 for the financial ended on 31 <sup>st</sup> March 2021.
		DPT-3	Particulars of transactions by a company not considered as deposit as per rule 2(1)(c) of the Companies (Acceptance of Deposit) Rules, 2014.
		PAS-6	Reconciliation of Share Capital Audit Report (Half-yearly) (March to September)
		PAS-6	Reconciliation of Share Capital Audit Report (Half-yearly) (October to March)

8. ***Our Company was in non-compliance with certain provisions of the Companies Act 2013, which though have been made good by it, however the Company cannot assure that no proceedings or regulatory actions will be initiated against it in relation to those non-compliances.***

Our Company was in non-compliance with certain provisions of the Companies Act 2013, regarding the constitution of the Audit Committee (AC), Nomination and Remuneration Committee (NRC), and appointment of Independent Directors under sections 177, 178 and 149 (6) of the Companies Act, 2013, which was applicable on the Company from the Financial Year 2019-20. Though, the Company has made the default good in the Financial Year 2023-24, nonetheless, making default good may not prevent the company from any adjudication preceding that may be initiated by the concerned authorities.

9. ***We require a number of approvals, licenses including recurring licences, registration and permits for our business and failure to obtain or renew them in a timely manner may adversely affect our operations. In some cases, we may be operating without all the required permissions, risking civil and criminal sanctions.***

We may require several statutory and regulatory permits, licenses and approvals in the ordinary course of our business. Many of these approvals are granted for fixed periods of time and some need renewal from time to time. Our Company is required to renew such permits, licenses and approvals. Further, we may require new registrations and approvals for any proposed operations, including any expansion of existing operations. While we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals.

Failure to obtain and renew such registrations and approvals within statutory time frame may attracts penal provisions. Further, such non-compliance may result in proceedings against our Company and the Directors and such actions may directly and immediately affect our operations and may have a material



adverse effect on our revenues, profits and operations.

For details, please refer to chapter titled “*Government and Other Statutory Approvals*” beginning on page 301 of this Draft Red Herring Prospectus.

***10. Any disruption to the steady and regular supply of workforce for our operations, including due to strikes, work stoppages or increased wage demands by our workforce or any other kind of disputes with our workforce or our inability to control the composition and cost of our workforce could adversely affect our business, cash flows and results of operations.***

Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. As on March 31, 2024, we had 201 employees. We may be subject to industrial unrest, slowdowns, and increased employee costs, which may adversely affect our business, financial conditions, cash flows and results of operations. While we consider our relationship with our employees to be good and there has been no such instance in the preceding three Fiscals, however we could experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to perform our business operations.

Further, work stoppages due to strikes or other events could result in slowdowns or closures of our operations which could have an adverse effect on our business, cash flows and results of operations. While there has been no instance in the last three Fiscals where we experienced work stoppages due to strikes or labour unrest that resulted in closure of our operations, there is no assurance that we may not experience any such events in the future.

In the event there are any disruptions at our manufacturing facilities, due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, lack of access to assured supply of electrical power and water at reasonable costs or any significant social, political or economic disturbances, could reduce our ability to meet the conditions of our contracts, manufacture our products and adversely affect sales and revenues from operations in such period. Although we have not faced any such instances till the date of this Draft Red Herring Prospectus.

***11. The present production capacity installed at our manufacturing unit is not fully utilized.***

Our manufacturing facility is located at Shamli, Uttar Pradesh. As on the date of this DRHP, we have certain machineries, which is running close to its installed capacity. For the fiscal 2024 and 2023, our production capacity was utilized at 90.00% and 83.00% of the total installed capacity respectively. For details of our installed and actual capacities, please refer page the chapter titled “*Our Business*” beginning on page 176 of the DRHP. If we are unable to expand our manufacturing capacity in our facilities, we may not be able to tap growth opportunities in the paper market. However, our management believes that we have sufficient area which can be utilized for installing additional capacity and our Company can increase the manufacturing capacity by buying new machinery as and when required. Also, to expand our operations, we have already taken initiatives and bought additional land adjacent to our facility.

***12. The geographical concentration of our customer base may restrict our operations and adversely affect our business, results of operations and financial conditions in the future.***

Our Company presently has a concentration of customer base and revenue in the state of Uttar Pradesh. The revenue earned in the state in March 2024, is INR 28,677.56 Lacs (84.69%). Additionally, previously the concentration of customer base and revenue was collectively in the states of Uttar Pradesh and Delhi. The collective revenue earned in March 2023, and March 2022 was INR 32,274.49 (81.02%), and INR 35,641.08 (74.19%) respectively. We are aware that if a company's customer base is heavily concentrated in a specific region, it becomes more vulnerable to economic changes, local market conditions, or geopolitical events that may affect that particular area. Further, economic downturns could disproportionately impact the purchasing power of customers in that region.



Our concentration of customer base in the state of Uttar Pradesh and/or Delhi makes our operations susceptible to local and regional factors, such as accidents, system failures, economic, and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances that may disrupt or restrict the exchange of information within the state that may adversely affect the workflow and the results of operations of the Company in the future.

***13. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations***

The proposed use of issue proceeds, as detailed in the section titled “*Objects of the Issue*” on page 110 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 which may adversely impact the growth rate of our Company. 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

***14. Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.***

Our business activities are dependent on the availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Although, we have entered into contract for supply of contractual labour but there is no certainty that we will be able to get the requisite amount of manpower whenever required. Though we have not faced any labour problem in the past, we cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock-outs or increased wage demands. Such issues could have adverse effect on our business, and results of operations.

***15. We face competition in the recycling industry. Failure to compete effectively may have an adverse impact on our business, financial condition, results of operations and cash flows.***

We believe that we operate in a highly competitive industry. Our customers evaluate their suppliers based on, among other things, manufacturing capabilities, quality, flexibility, and costs. Some of our competitors may have certain advantages, including greater financial resources, manufacturing or financial capabilities, more advanced technology or research and development capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. In order for us to maintain or increase our market share, we must depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including our ability to improve our manufacturing process and techniques, introduce new products, respond to pricing strategies of our competitors, and adapt to changes in technology and changes in customer preferences. We cannot assure prospective investors that we will be able to compete effectively against our current or emerging competitors with respect to each of these key competitive factors.

Further, with an increase in focus on the manufacture of recycled products, we may also face competition from new entrants as well as the current manufacturers of virgin or recycled products. Such new entrants may capture our market share, which may have an adverse impact on our business, financial conditions and cash flows., which may have an adverse impact on our results of operations and financial condition.

**16. *Certain Agreements, deeds or licenses may be in the previous name of the company.***

Our certain agreements, deeds, or licenses may be in the name of the erstwhile name of the company “Nikita Papers Private Limited”. In case, we fail to change the name in the agreements, deeds or licenses it may cause an adverse effect on Our Company’s business & operations although we do not foresee any challenge in doing so.

**17. *If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.***

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

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

We have entered into various transactions with our Directors/ Promoter and Promoter Group members. These transactions, inter-alia include, remuneration, loans and advances, etc. For details, please refer to “Annexure-VIII- Related Party Transactions” under Section titled “Financial Information of the Company” of this Draft Red Herring Prospectus. Our Company has entered such transactions due to easy proximity and quick execution on arms-length price in compliance with provisions of Companies Act, 2013 and other applicable laws. Although all related-party transactions that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**19. *Our Logo is not registered. In case of no registration our brand building efforts may be hampered which might lead to an adverse effect to our business***

We have made application on March 11, 2024, vide Temp. Ref. No: 6341137 for registration of Our Logo/Trademark under the Trademark Act, 1999 for getting the same registered. There is no guarantee that the application for registration of our logo will be accepted in favour of the Company. In case of rejection of said application, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks. This could have a material adverse effect on our business, which in turn could adversely affect our results of operations.

**20. *We do not own the registered office. Any dispute in relation to use of the premises would have a material adverse effect on our business and results of operations.***

All our existing offices are obtained by us on rent from third parties. For details on the duration of existing rent agreements for our offices, please refer to Chapter titled “Our Business” beginning on page 176 of this Draft Red Herring Prospectus. In the event that the existing rent agreements are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our



operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected.

**21. *The shortage or non-availability of power and fuel facilities may adversely affect our manufacturing process and have an adverse impact on our results of operations and financial condition.***

Our manufacturing process requires substantial amount of power and fuel facilities. Power and fuel cost accounts for a significant percentage of our cost of operations. For the Fiscals 2024, 2023 & 2022, our Power and fuel expenses were 12.59%, 13.10% and 12.05%, respectively of our total revenue from operations. We source the power requirements for our manufacturing facility mainly from state electricity boards. The quantum and nature of power and fuel requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is very high. However, we have recently set up a solar plant of 1 MW to reduce our electricity costs and dependency. To battle electricity failures, we also have diesel generators to meet exigencies at our main facility, however, we cannot assure you that our facilities will be operational during power failures. Any disruption / non availability of power or fuel or any failure on our part to arrange alternate sources of electricity and fuel supply, in a timely manner and at an acceptable cost shall directly affect our production which in turn shall have an impact on operations and results of our Company.

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

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lakh. Since the Issue size is less than Rs.10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. Hence, the Company has not appointed a monitoring agency to monitor the utilization of Issue proceeds. Though the same will be monitored by our Audit Committee.

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 110 of this Draft Red Herring 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 and current trade cycle. We cannot assure that the current business plan will be implemented in its entirety. 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 may increase. The deployment of the funds as stated under chapter –Objects of the Issue, is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. 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.

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.

**23. *We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations***

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt.

As on March 31, 2024 our total outstanding indebtedness was ₹ 14722.51 Lakhs.



Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future; and
- increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “*Statement of Financial Indebtedness*” on page 281 of this Draft Red Herring Prospectus.

**24. *Certain of our corporate filings and records are not traceable, while certain corporate records have errors. We cannot assure that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.***

Since the company was incorporated in 1989, it is not possible to trace all secretarial records since incorporation. We are unable to trace copies of certain records. So, certain of our Company’s corporate regulatory filings and records are not traceable as the relevant information was not available in the records maintained by our Company or on the online portal of the Ministry of Corporate Affairs (“MCA Portal”) or in the physical records available at the RoC.

We cannot assure you that the filings were made in a timely manner and that we shall not be subject to any penalty imposed by the regulatory authorities in this respect.

**Details of such filing are mentioned below:**

S. No.	Name of documents	Purpose	Status
1.	Form 5	Notice of consolidation, division etc. /Increase in share capital/Increase in number of members. This form was physically filed with ROC for increase in authorised share capital of the company from 75,00,000 to 2,50,00,000 pursuant to the meeting of shareholders held on 25.04.1994	Form not available in records
2.	Form 2	This is return of allotment filed for allotment of 1,01,000 Equity Shares @ Rs. 10 each aggregating to Rs. 10,10,000/- on 21.12.1990	Form not available in records
3.	Form 2	This is return of allotment filed for allotment of 1,60,000 Equity Shares @ Rs. 10 each aggregating to Rs. 16,00,000/- on 25.03.1994	List of allottees is not traceable
4.	Form 2	This is return of allotment filed for allotment of 50,000 Equity Shares @ Rs. 10 each aggregating to Rs. 5,00,000/- on 09.05.1994	Form not available in records
5.	Form 2	This is return of allotment filed for allotment of 15,00,000 Equity Shares @ Rs. 10 each aggregating to Rs. 10,10,000/- on by way of Bonus Issue on 28.07.1994	Form not available in records

**Steps taken by Company:**

Company has made effort to find out the copy of above-mentioned forms in inhouse records as well as on V2 portal for view public documents of filed with Ministry of Corporate Affairs.

Further also made effort to search out the documents physically by visting Manesar office for record keeping of documents filed with Ministry of Corporate Affairs.



**25. Our Promoters, members of Promoter Group and director have mortgaged their properties and provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.**

Our Promoters, members of promoter group, and directors have mortgaged their properties and provided personal guarantees in relation to certain loan facilities availed of by us. In the event that any of these properties or guarantees are revoked by promoters, members of Promoter group or third party, the lenders for such facilities may require alternate properties as mortgages/guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative properties/guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

Following are details of properties mortgaged and personal guarantees provided for loan facilities availed:

S. No.	Type of facility	Name of promoter (s) or members of promoter group	Charge Holder	Details of properties mortgaged and personal guarantees
1.	Cash Credit Limit	<p><b>Personal Guarantee of :</b></p> <p>Ashok Kumar Bansal</p> <p>Ayush Bansal</p> <p>Sudhir Kumar Bansal</p> <p>Mithlesh Rani Bansal</p> <p>Sandhya Bansal</p> <p>Abhinav Bansal</p> <p><b>Corporate Guarantee of:</b></p> <p>Alliance Farm and Agriculture Limited</p>	<p>Axis Bank Limited</p> <p><b>Charge ID:</b> 100539033</p> <p><b>Amount of charge:</b> 52,67,00,000</p> <p><b>Date of Last modification /creation of charge:</b> 15.06.2023</p>	<p><b>Collateral: Extension of First Pari Passu Charge with Punjab National Bank</b></p> <p>Khasra no. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>Industrial Estate in factory campus Khasra no. 1029, Candela Kairana, Distt Shamli Owned By Ashok Kumar Bansal</p> <p>12700 sq mt Khata no. 275, Khasra no. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Mithlesh Bansal</p> <p>6660 Sq Mtr. Khata no 617, Khasra no. 1028, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned by Sudhir Bansal</p> <p>Residential House B-104, Type 3 BHK, First Floor, Le Regencia, Sector 19, Panipat, Haryana</p> <p><b>Extension of second charge on following properties:</b></p>

				<p>6660 sq mtr Khata no. 274, Khasra no. 1026, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>7000 sqmt Khata no. 275, Khasra No. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p>
2.	<b>Term Loan and Cash Credit</b>	<p><b>Personal Guarantee of:</b></p> <p>Sudhir Kumar Bansal</p> <p>Mithlesh Rani Bansal</p>	<p>Punjab National Bank</p> <p><b>Charge ID:</b> 80043552</p> <p><b>Amount of charge:</b> 1,09,35,00,000</p> <p><b>Date of Last modification/creation of charge:</b> 04.10.2023</p>	<p>7000 sqmt Khata no. 275, Khasra No. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>Industrial Estate in factory campus Khasra no. 1029, Candela Kairana, Distt Shamli Owned By Ashok Kumar Bansal</p> <p>12700 sq mt Khata no. 275, Khasra no. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Mithlesh Bansal</p> <p>6660 sq mtr Khata no. 274, Khasra no. 1026, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>6660 Sq Mtr. Khata no 617, Khasra no. 1028, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned by Sudhir Bansal</p> <p>7000 sqmt Khata no. 275, Khasra No. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>Residential House B-104, Type 3 BHK, First Floor, Le</p>

				Regencia, Sector 19, Panipat, Haryana
3.	<b>Term Loan</b>	<b>Personal Guarantee of:</b> NC Bansal Shri Ashok Kumar Bansal Shri Ayush Bansal Abhinav Bansal Anuj Bansal Sudhir Bansal Rachit Bansal	Small Industries Development Bank of India <b>Charge ID:</b> 100408602 <b>Amount of charge:</b> 2,92,00,000 <b>Date of Last modification/creation of charge:</b> 29.01.2021	No personal property of promoters was mortgaged
4.	<b>Term Loan and Cash Credit Limit</b>	<b>Personal Guarantee of:</b> Shri Ashok Kumar Bansal Shri Ayush Bansal Smt. Sandhya Bansal Shri Sudhir Kumar Bansal to the extent of value of property mortgaged	HDFC Bank Ltd <b>Charge ID:</b> 100826144 & 100826131 <b>Amount of Charge: Rs.</b> 70,83,00,000 <b>Date of Last modification/creation of charge:</b> 30.01.2023	7000 sq mtr Khata no. 275, Khasra No. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal Industrial Estate in factory campus Khasra no. 1029, Candela Kairana, Distt Shamli Owned By Ashok Kumar Bansal 12700 sq mtr Khata no. 275, Khasra no. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Mithlesh Bansal 6660 sq mtr Khata no. 274, Khasra no. 1026, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal 6660 Sq Mtr. Khata no 617, Khasra no. 1028, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned by Sudhir Bansal 7000 sq mtr Khata no. 275, Khasra No. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal



				Residential House B-104, Type 3 BHK, First Floor, Le Regencia, Sector 19, Panipat, Haryana
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**26. *Our Company, Directors and Promoters are not involved but may in the future, be involved in certain legal proceedings, which, if determined adversely, may adversely affect our business and financial condition***

Our Company may in the future be, implicated in lawsuits in the ordinary course of our business, including lawsuits and arbitrations involving compensation for loss due to various reasons including tax matters, civil disputes, labour and service matters, statutory notices, regulatory petitions, consumer cases and other matters. Any Litigation or arbitration could result in substantial costs and a diversion of effort by us and/or subject us to significant liabilities to third parties. Our Company cannot provide any assurance that these legal proceedings will be decided in our favour. There can be no assurance that the results of such legal proceedings will not materially harm our business, reputation or standing in the marketplace or that our Company will be able to recover any losses incurred from third parties, regardless of whether our Company is at fault or not. There can be no assurance that losses relating to litigation or arbitration will be covered by insurance, that any such losses would not have a material adverse effect on the results of our operations or financial condition, or that provisions made for litigation and arbitration related losses would be sufficient to cover our ultimate loss or expenditure. However, *The Company has received a Show Cause Notice under section 142(1) of CGST Act, 2017 raising a demand of Rs. 14,45,701/- for the period pertaining to Apr-18 to Mar-22. The Company has filed its reply to the said show cause notice. The decision to this notice is still pending.*

**27. *We are subject to risks associated with market expansion into new geographic regions.***

Expansion of market for company's product into new geographic regions (Indian as well as foreign) subjects us to various challenges, including those relating to our lack of familiarity with the culture, local laws and regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- local preferences and service requirements;
- fluctuations in foreign currency exchange rates;
- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- differing accounting standards and interpretations;
- differing domestic and foreign customs, tariffs and taxes;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

By expanding into new geographical market regions, we may be exposed to significant liability as a result of which our business, financial condition and results of operations could be adversely affected.

**28. *Our Company has not obtained registration under ESI Act, 1948.***

Our Company has not obtained registration under Employee State Insurance Act, 1948. If a regulatory action is taken against the company by any regulatory authority it may have an adverse effect on our cash flow and financial conditions of the company.



- 29. *Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.***

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

- 30. *Our success depends largely on our senior management and other key personnel and our ability to attract and retain them.***

Our future performance would depend on the continued service of our Promoters, Senior Management, Key Managerial Personnel, persons with technical expertise, and the loss of any senior employee and the inability to find an adequate replacement may impair our relationship with key customers, which may adversely affect our business, cash flows, financial condition, results of operations and prospects. While there has been no instance in the last three Fiscals, where the resignation of any Senior Management or Key Managerial Personnel had an adverse impact on our business, results of operations, cash flows or financial conditions, there is no assurance that such instance will not arise in the future. Our future success, amongst other factors, will depend upon our ability to continue to attract, train and retain qualified personnel, particularly engineers and other associates with critical expertise, know-how and skills that are capable of helping.

- 31. *Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation providers for delivery of our goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition, goods 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 products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

- 32. *Our Promoters, certain of our Directors and Key Managerial Personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters, Directors and KMPs may be deemed to be interested in our Company, in addition to normal remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares or other securities, held by them and their relatives (if any) and their dividend or bonus entitlement, and benefits arising from their directorship in our Company and are also interested to the extent of sitting fee payable to them for attending each of our Board and Committee Meetings. For the payments that are made by our Company to related parties including remuneration to our Directors and our Key Managerial Personnel, see “*Summary of Offer document*” and “*Restated Financial Information*” on page 19 and 237, respectively.



We cannot assure you that our Promoters, Directors and Key Managerial Personnel will exercise their rights to the benefit and best interest of our Company.

- 33. *We are subject to quality requirements and strict technical specifications by our customers. Our failure to comply with the quality standards and technical specifications prescribed by such customers may lead to loss of business from such customers and could negatively impact our reputation, which would have an adverse impact on our business prospects and results of operations.***

Our customers maintain strict quality standards. Our products go through various quality checks at various stages at our manufacturing facilities. Failure of our products to meet the quality standards expected by our customers may result in rejection and reworking of our products. This may result in our customers cancelling present or future purchases of our products.

Further, we may also be subject to the liability claims being initiated against us by our customers. We do not have any product liability insurance to protect us against such claims and any liability incurred pursuant to such claims is required to be funded by the Company. While we have put in place quality control procedures, we cannot assure that our products will always be able to achieve the quality standards expected by our customers. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the manufacturing of our products. Further, any lapses in quality may impact our long-term relationships with customers, which is one of our key strengths. Any failure on our part to successfully maintain quality standards for our products may affect our customer relationships, which may adversely affect our business and results of operations.

- 34. *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 no. 236 of this Draft Red Herring Prospectus.

- 35. *Obsolescence, destruction, theft, breakdowns of our major plants or machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations.***

Obsolescence, destruction, theft or breakdowns of our major plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. In such cases, we may



not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all, particularly where our plants or machineries are not readily available from the market or require services from original machinery manufacturers. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability.

**36. *Certain information contained in this Draft Red Herring Prospectus is based on management estimates and we cannot assure you of the completeness or accuracy of the data.***

The fund requirement and deployment, as mentioned in the “*Objects of the Issue*” on page 110 of this Draft Red Herring 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, current trade cycle. 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 may increase. The estimated project dates as well as costs may change depending on the circumstances like changes in laws and regulations, competition, irregularities or claims with respect to title of land, the ability of third parties to complete their services, delays, cost overruns or modifications to our ongoing and planned projects. 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. Such circumstances can have an impact on our financial condition and results of operation.

**37. *We cannot assure you that our equity shares will be listed on the NSE Emerge 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 Draft Red Herring Prospectus listed on NSE emerge 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 Emerge platform of NSE 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.

**38. *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 consumers. 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.

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

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



***40. Changes in future technology(ies) may affect our business by making our manufacturing facilities or equipment less competitive or requiring us to make substantial capital investments.***

Our profitability and competitiveness are to a certain extent dependent on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. Changes in future technology(ies) may make newer generation manufacturing equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our manufacturing facilities to meet future technology(ies). Our inability to continue to invest in new and more advanced technologies and equipment, may result in our inability to respond to emerging industry standards and practices in a cost-effective and timely manner that is competitive with other companies. The development and implementation of such technology entails technical and business risks. We cannot assure you that we will be able to successfully implement future technologies or adapt our processing systems to emerging industry standards. If we are unable to adapt in a timely manner to changing market conditions or technological changes, our business and financial performance could be adversely affected.

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

***41. 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 the equity shares has been based on many factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled “*Basis for Issue Price*” beginning on page 119 of the Draft Red Herring Prospectus. 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.

***42. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.***

We propose to utilize the Net Proceeds towards utilization for the working capital requirement and General Corporate Purposes of our Company. For further details of the proposed objects of the Issue, see Chapter titled as “Objects of the Issue” beginning on page 110. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation



is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition, if any, which may adversely affect our business and results of operations.

- 43. *We have not identified any alternate source of raising the funds required for the object of the Issue and the deployment of funds is entirely at our discretion and as per the details mentioned in the section titled "Objects of the Issue".***

Our Company has not identified any alternate source of funding for our object of the Issue and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds or may result in borrowing funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the company. Further the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. For further details, please refer chapter titled "Object for the Issue" beginning on page 110 of this Draft Red Herring Prospectus.

- 44. *Any future sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Any future sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

- 45. *Industry information included in this Draft Red Herring Prospectus has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical financial and other industry information is either complete or accurate.***

None of the Company, the Book Running Lead Manager or any other person connected with the Issue has independently verified the third-party statistical and financial data in this Draft Red Herring Prospectus which has been sourced from various public and private publications. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates. There is no assurance that such information obtained from third party sources and publications will be current or reflect current trends. Further, such industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.

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 Draft Red herring Prospectus.

- 46. *Failure or disruption of IT software's may adversely affect our business, financial condition, results of operations, cash flows and prospects.***

We are using different software's from different vendors to cover key areas of our operations. We are dependent on technology in relation to customer order management and dispatches, inventory maintenance, manufacturing processes, financial accounting and scheduling raw material purchase and shipments. We

rely different software’s from different vendors and out IT support staff to provide us with connectivity and data backup across our locations and functions. While we believe that we have deployed adequate IT software and depute IT staff to manage our disaster management systems including data backup and retrieval mechanisms, at our manufacturing facility and registered office. However, any failure or disruption in the operation of these software or due to resignation of IT staff or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyze work in progress and sales, process financial information, manage our creditors, debtors, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and cash flows.

**47. Our lenders have charge over our movable and immovable properties in respect of finance availed by us.**

We have provided security in respect of loans/facilities availed by us from banks and financial institutions by creating a charge over our movable and immovable properties. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations.

Following the details of open charges held by lenders:

S. No.	Details of Charge Created	Short particulars of property charged charge
1	HDFC BANK LIMITED Charge ID: 100826144 Amount of charge: 10,83,00,000 Date of Last modification/creation of charge: 30.10.2023	First Pari Passu charge with PNB over moveable fixed assets of the company present and future. First Pari passu charge on current assets of the company along with PNB
2	HDFC BANK LIMITED Charge ID: 100826131 Amount of charge: 60,00,00,000 Date of Last modification/creation of charge: 30.10.2023	First Pari Passu charge with PNB over moveable fixed assets of the company present and future. First Pari passu charge on current assets of the company along with PNB
3	HDFC BANK LIMITED Charge ID: 100756080 Amount of charge: 29,35,000 Date of Last modification/creation of charge: 13.06.2023	Vehicle Loan, charge created by way of hypothecation of vehicle
4	HDFC BANK LIMITED Charge ID: 100702934 Amount of charge: 38,00,000 Date of Last modification/creation of charge: 12.01.2023	Vehicle Loan, charge created by way of hypothecation of vehicle
5	Axis Bank Limited Charge ID: 100539033 Amount of charge: 52,67,00,000 Date of Last modification/creation of charge: 15.06.2023	First Pari passu charge with PNB over current assets of the company including cash margin both present and future, Second pari passu charge with PNB over entire current assets of the company, both present and future and Second charge on Primary & Collateral Securities except Guarantees 100% Guarantee from NCGTC. Second pari passu charge with PNB over movable fixed assets of the company both present and future and For Term Loan: <input type="checkbox"/> First charge of Axis Bank over movable assets financed from Axis Bank Term loan

		<input type="checkbox"/> First charge of PNB over movable assets financed from PNB Bank Term loan <input type="checkbox"/> First pari passu charge with PNB over unencumbered movable fixed assets of the company, both present and future <input type="checkbox"/> Second pari passu charge with PNB over movable assets of the company financed by Axis <input type="checkbox"/> Second pari passu charge with Axis over movable assets of the company financed by PNB <b>ECLGS:</b> Second charge on Primary & Collateral Securities except Guarantees 100% Guarantee from NCGTC
6	Small Industries Development Bank of India Charge ID: 100408602 Amount of charge: 2,92,00,000 Date of Last modification/creation of charge: 29.01.2021	All machinery & equipment, tools, spares, accessories which has been proposed to be acquired under PRATHAM scheme
7	Oriental Bank of Commerce Charge ID: 100268119 Amount of charge: 42,00,00,000 Date of Last modification/creation of charge: 04.06.2019	First exclusive charge by way of hyp. of plant & machinery and other fixed assets purchased out of bank finance and Eq. mortgage of original along with certified copy of lease deed no.-159 dated 08.01.1991 executed by DIC Muzaffarnagar and original supplementary lease deed dated 29.06.11 executed by DIC Muzaffarnagar No. 6855.
8	Punjab National Bank Charge ID: 80043552 Amount of charge: 1,09,35,00,000 Date of Last modification/creation of charge: 04.10.2023	As per Deed of Hypothecation executed on 04.10.2023 and sanction letter dated 04.10.2023
9	HDFC Bank Limited Charge ID: 100481261 Amount of Charge: 16,00,000 Date of Creation:22/07/2021	Vehicle Loan, charge created by way of hypothecation of vehicle

For further information, please refer chapter titled “*Financial Indebtedness*” on page 281 of this DRHP.

**48. Orders placed by customers may be delayed, modified, cancelled, or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.**

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customer’s discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed.

Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Our trade receivable as on March 31, 2024 stood at Rs. 12,421.25 Lakhs. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty,



payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. For further details of our business, please refer chapter titled “Business Overview” beginning on page 176 of this Draft Red Herring Prospectus.

***49. 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. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

Further, 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.

***50. Delay in making any Statutory payments viz. Tax Deducted at Source, Income Tax, Good and Service Tax, Employee Provident Fund, or any other Statutory dues which may attract any penalty or demand raised by statutory authorities in future will affect financial position of the Company.***

Our Company is engaged in the manufacturing business, which attracts tax liability such as Goods and Service tax and Income tax and other Statutory taxes as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Employee State Insurance and Professional Tax. Any demand or penalty imposed by the concerned authority in future for late payments or non-payments, both for any previous year and current year, will have an impact on the financial position of the Company.

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

The results of operations of our business are dependent on our ability to effectively manage our inventory. Our inventory levels of our finished goods as on March 31, 2024 were Rs. 438.90 lakhs. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and plan our purchases accordingly. If our management fails to estimate the expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory which could affect the cost. We estimate our sales based on the demand and requirements and also on the customer specifications. Further, any disruptions to the delivery of materials may occur for reasons such as poor handling, transportation bottlenecks or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt our supply of these products. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. If we overstock inventory, our capital requirements will increase and we will incur additional financing costs. If we understock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer demand could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation. For further details of our business, please refer chapter titled “Business Overview” beginning on page 176 of this Draft Red Herring Prospectus.



**52. *Our Company has during the preceding one year from the date of the Draft Red Herring Prospectus allotted Equity Shares at a price which is lower than the Issue Price.***

In the last 12 months, we have made allotment of Equity Shares to our promoters and promoter group, which is lower than the Issue Price. The details of allotment are –

<b>Date of Allotment</b>	<b>No. of Equity Shares</b>	<b>Face value (Rs.)</b>	<b>Issue Price (Rs.)</b>	<b>Consideration</b>	<b>Nature of Allotment</b>
December 28, 2023	86,08,500	10	NA	No Consideration	Bonus Issue

For further details relating to number of shares issued, date of allotment etc. please refer to section titled “*Capital Structure*” on page 76 of this Draft Red Herring Prospectus. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

**53. *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 NSE, 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.

**54. *Some of our Directors are unable to provide us an authentic copy of their educational certificate.***

Our directors hold the necessary qualifications required for their respective positions. Our directors, Mr. Ashok Kumar Bansal, Mr. Sudhir Bansal and Ms. Sandhya Bansal are unable to provide us an authentic copy of their degree as it was lost long ago. However, FIR has been lodged with respect to the same.

**EXTERNAL RISK FACTORS:**

**1. *Any changes in regulations or applicable government incentives would adversely affect the Company’s operations and growth prospects***

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.

**2. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations,



consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**3. *Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of avian or swine influenza or other contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in India as well as other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

In addition to the above, our Company is incorporated in India and its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

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

- a. the macroeconomic climate, including any increase in Indian interest rates or inflation;
- b. any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- c. any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- d. prevailing income conditions among Indian consumers and Indian corporations;



- e. epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID- 19 pandemic;
- f. volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- g. occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations;
- h. prevailing regional or global economic conditions, including in India's principal export markets;
- i. other significant regulatory or economic developments in or affecting India or its consumption sector;
- j. international business practices that may conflict with other customs or legal requirements
- k. to which we are subject, including anti-bribery and anti-corruption laws;
- l. protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- m. logistical and communications challenges;
- n. downgrading of India's sovereign debt rating by rating agencies;
- o. difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and,
- p. being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown due to these factors could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

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

Our Company is subject to various regulations and policies. For details see section titled "Key Industry Regulations" beginning on page no. 196 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

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

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

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

The Company may enter into certain borrowing arrangements to finance its capital requirements in the ordinary course of business in connection with potential acquisitions or for general working capital purposes. Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.



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

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

**9. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Book Running Lead Manager has appointed [●] as Designated Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

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

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

**11. *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.

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.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

**13. *Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.***

Our restated financial information for the Fiscals 2024, 2023 and 2022 included in this Draft Red Herring Prospectus are presented in conformity with Ind AS, in each case restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Red Herring Prospectus (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Restated Financial Information and Special Purpose Restated Financial Information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Draft Red Herring Prospectus.

**14. *We require certain approvals, licenses, registrations and permits to operate our business, and failure to obtain or renew them in a timely manner or maintain the statutory and regulatory permits and approvals required to operate our business may adversely affect our operations and financial conditions.***

Our business is subject to government regulations and we require certain approvals, licenses, registrations and permissions for operating our business, some of which have been applied for till date but not received, like Consent to operate for our manufacturing facilities or Factory Licence for Unit II or some of which may have expired and for which we may have either made or are in the process of making an application



for obtaining the approval or its renewal. In addition, we may not be in compliance with certain conditions prescribed by such approvals or licences. Our failure to obtain such licences and approvals and comply with the applicable laws and regulations could lead to imposition of sanctions by the relevant authorities, including penalties. For further details, see “Government and Other Approvals” beginning on page 301 of this Draft Red Herring Prospectus. Further, fresh and renewal applications for approvals, licenses, registrations and permissions for operating our business need to be made within certain timeframes. While we have made fresh applications for few approvals and licenses, we cannot assure you that we will receive these approvals in a timely manner or at all. Further, in future we will be required to apply for the renewal of approvals and permits for our business operations to continue. If we are unable to make applications and renew or obtain necessary permits, licenses and approvals on acceptable terms, in a timely manner or at all, we may be required to shut down or relocate our offices or warehouses and face other consequences due to which our business operations may be adversely affected.

***15. We face foreign exchange risks that could adversely affect our results of operations and cash flows.***

Our company also export its products, therefore we are exposed to foreign currency fluctuation risk. Although, we closely follow our exposure to foreign currencies by entering into forward contracts to hedge our exposure in an attempt to reduce the risks of currency fluctuations, our results of operations, cash flows and financial performance could be adversely affected in case these currencies fluctuate significantly. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. While we enter into hedging transactions to minimize our foreign currency exchange risks, there can be no assurance that such measures will enable us to manage our foreign currency risks which may adversely affect our results of operations.

***16. Increasing employee compensation in India may erode some of our competitive advantage and may reduce our profit margins, which may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

Employee compensation in India has historically been significantly lower than employee compensation in the United States and Western Europe for comparably skilled professionals, which has been one of our competitive strengths. However, compensation increases in India may erode some of this competitive advantage and may negatively affect our profit margins. Employee compensation in India is increasing at a faster rate than in the United States and Western Europe, which could result in increased costs relating to scientists and engineers, managers and other mid-level professionals. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may have a material adverse effect on our business, financial condition, cash flows and results of operations.

**RISKS RELATED TO THE OFFER:**

***1. After the Offer, the price of the Equity Shares may become highly volatile, or an active trading market for the Equity Shares may not develop.***

The price of the Equity Shares may fluctuate after the Offer as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors; adverse media reports about us or the industry we operate in generally; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India’s economic liberalization and deregulation policies; and significant developments in India’s fiscal regulations. There has been no public market for the Equity Shares of our Company and the price of the Equity Shares may fluctuate after the Offer.

If the stock price of the Equity Shares fluctuates after the Offer, investors could lose a significant part of their investment. As on the date of this Draft Red Herring Prospectus, there is no market for the Equity Shares. Following the Offer, the Equity Shares are expected to trade on the Stock Exchanges. There can be no assurance that active trading in the Equity Shares will develop after the Offer or, if such trading



develops, that it will continue. Investors might not be able to sell the Equity Shares rapidly at the quoted price if there is no active trading in the Equity Shares.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

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

Under the Companies Act, 2013 a company incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

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

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

***4. Our operations are subject to environmental, health and safety laws and regulations.***

Our operations are subject to various Central and State environmental laws and regulations relating to the control of pollution in the various locations in India where we operate. In particular, the discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liability to the Government and third parties, and may result in our incurring costs to remedy such discharge or emissions. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of operations, or a material increase in the costs of operations, or otherwise have a material adverse effect on the financial condition and results of our operations. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could adversely affect our business, financial condition or prospects. While as of the date of this Draft Red Herring Prospectus, we are not subject to any environmental legal proceedings, we may be impleaded in such legal proceedings in the course of our business. Such legal proceedings could divert management time and attention, and consume financial resources in Defence or prosecution of such legal proceedings or cause delays in the construction, development or commencement of operations of our projects. No assurance can be given that we will be successful in all, or any, of such proceedings.



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

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

**6. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares. Accordingly, our ability to raise foreign capital may be constrained.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Furthermore, under applicable foreign exchange regulations in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the permissible exceptions, then prior approval of the relevant regulatory authority is required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness.

Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Furthermore, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. We cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

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## SECTION IV- INTRODUCTION THE ISSUE

### THE ISSUE

Particulars	Details of Number of Shares
Issue of Equity Shares by our Company	64,94,400 Equity Shares of face value Rs.10/- each fully paid-up for cash at price of Rs. [•] per Equity Share aggregating to Rs. [•]
<b>Of which:</b>	
Reserved for Market Makers <sup>^</sup>	[•] Equity Shares of face value Rs.10/- each fully paid-up for cash at price of Rs. [•] per Equity Share aggregating to Rs. [•]
Net Issue to the Public <sup>^</sup>	[•] Equity Shares of face value Rs.10/- each fully paid-up for cash at price of Rs. [•] per Equity Share aggregating to Rs. [•]
<b>Of which:</b>	
A. QIB portion **	Not more than [•] Equity Shares
of which	
(i) Anchor Investor Portion	Upto [•] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [•] /- per Equity Share aggregating to Rs. [•] Lakhs
(ii) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	Upto [•] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [•] /- per Equity Share aggregating to Rs. [•] Lakhs
of which	
a. Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto [•] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [•] /- per Equity Share aggregating to Rs. [•] Lakhs
b. Balance of QIB Portion for all QIBs including Mutual Funds	Upto [•] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [•] /- per Equity Share aggregating to Rs. [•] Lakhs
B. Non – institutional portion **	Not Less than [•] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [•] /- per Equity Share aggregating to Rs. [•] Lakhs
C. Retail Investors Portion <sup>**^</sup>	Not Less than [•] Equity Shares of face value of Rs.10/- each fully paid-up for cash at price of Rs. [•] /- per Equity Share aggregating to Rs. [•] Lakhs
<b>Pre-and Post-Issue Equity Shares:</b>	
Equity Shares outstanding prior to the Issue	1,81,73,500 Equity Shares of face value Rs.10/- each
Equity Shares outstanding after the Issue	[•] Equity Shares of face value Rs.10/- each
Use of Proceeds	For further details please refer chapter titled “Objects of the Issue” beginning on page no. 110 of this Draft Red Herring Prospectus for information on use of Issue Proceeds

<sup>^</sup>Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.

\*\*As per the Regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended, as present issue is made through book building process, the allocation is the net offer to the public category shall be made as follows:

- a) Not less than Thirty five percent to retail individual investor;
- b) Not less than Fifteen percent to non-institutional investor



c) *Not more than fifty percent to qualified institutional buyers, five percent of which shall be allocated to mutual funds.*

*Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portions shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Issue Procedure” on page 327.*

*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 BRLM and the NSE.*

#### **Notes**

- 1. The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. The issue is being made by our company in terms of Regulation 229 (2) of SEBI (ICDR) Regulation, read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post issued paid-up equity share capital of our company are being offered to the public for subscription.*
- 2. The Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on March 12, 2024 and by our Shareholders pursuant to a resolution passed at the EGM held on April 22, 2024. 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 no. 362 of this Draft Red Herring Prospectus.*

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## SUMMARY OF OUR FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Information as at and for the Financial Years ended March 31, 2024, March 31, 2023, March 31, 2022.

The Restated Financial Information referred to above is presented under “Restated Financial Information” beginning on page no. 237. The summary of financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 288.

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**SUMMARY OF FINANCIAL INFORMATION**
**ANNEXURE I- RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Particulars		Note No.	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>I</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>Shareholders' Funds</b>				
	(a) Equity Share Capital	I.1	1,817.35	861.35	861.35
	(b) Reserves and Surplus	I.2	5,919.90	4,612.83	3,748.31
	<b>Non-Current Liabilities</b>				
	(a) Long-Term Borrowings	I.3	4,808.70	6,851.32	7,751.48
	(b) Other Long-Term Liabilities	I.4	33.55	398.56	406.26
	(c) Deferred Tax Liabilities (net)	I.5	637.56	482.69	369.25
	(d) Long-Term Provisions	I.6	82.17	70.09	62.75
	<b>Current liabilities</b>				
	(a) Short-Term Borrowings	I.7	14,115.15	9,450.94	4,722.83
	(b) Trade Payables	I.8			
	(i) total outstanding dues of micro enterprises and small enterprises				
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,571.50	2,294.52	4,671.30
	(c) Other Current Liabilities	I.9	641.76	649.02	930.21
	(d) Short-Term Provisions	I.10	272.82	8.38	6.20
	<b>TOTAL</b>		<b>29,900.44</b>	<b>25,679.69</b>	<b>23,529.93</b>
<b>II</b>	<b>ASSETS</b>				
	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment and Intangible assets				
	(i) Property, Plant and Equipment	I.11	9,067.05	7,926.46	8,787.77
	(ii) Intangible Assets	I.12	-	-	-
	(iii) Capital Work in Progress	I.13	-	1,889.00	607.38
	(b) Non-Current Investments	I.14	143.92	143.92	125.92
	(c) Long Term Loans and Advances	I.15	414.04	21.02	51.97
	(d) Other Non-Current Assets	I.16	-	-	-
	<b>Current assets</b>				
	(a) Inventories	I.17	4,190.98	4,191.65	4,127.16
	(b) Trade Receivables	I.18	12,421.25	9,316.04	8,639.15
	(c) Cash and Cash Equivalent	I.19	814.98	501.48	490.07
	(d) Short-Term Loans and Advances	I.20	1,416.82	759.71	230.90
	(e) Other Current Assets	I.21	1,431.41	930.41	469.62
	<b>TOTAL</b>		<b>29,900.44</b>	<b>25,679.69</b>	<b>23,529.93</b>

**ANNEXURE II- RESTATED STATEMENT OF PROFIT AND LOSS**

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Particulars		Note No.	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>I</b>	Revenue from Operations	II.1	33,860.08	39,833.21	35,641.08
<b>II</b>	Other Income	II.2	818.20	297.70	207.49
<b>III</b>	<b>Total Income (I + II)</b>		<b>34,678.28</b>	<b>40,130.91</b>	<b>35,848.57</b>
<b>IV</b>	<b>Expenses</b>				
	(a) Cost of Material Consumed	II.3	21,969.24	27,850.30	23,915.37
	(b) Purchases of Stock-in-Trade	II.4	517.13	102.74	215.42
	(c) Changes in Inventories of Finished Goods, work in Progress and Stock in Trade	II.5	(182.00)	870.66	(827.31)
	(d) Employee Benefits Expenses	II.6	582.22	607.00	567.16
	(e) Finance Costs	II.7	1,398.02	1,084.56	1,075.20
	(f) Depreciation and Amortisation Expenses	II.8	1,022.22	991.67	1,072.33
	(g) Other Expenses	II.9	6,951.65	7,644.40	9,015.73
	<b>Total Expenses</b>		<b>32,258.48</b>	<b>39,151.35</b>	<b>35,033.90</b>
<b>V</b>	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		2,419.80	979.57	814.67
<b>VI</b>	Exceptional Items (Net Income)	II.10	-	-	-
<b>VII</b>	Profit Before Extraordinary Items And Tax (IV-V)		2,419.80	979.57	814.67
<b>VIII</b>	Extraordinary Items				
<b>VII</b>	<b>Profit Before Tax (V + VI)</b>		<b>2,419.80</b>	<b>979.57</b>	<b>814.67</b>
<b>VIII</b>	<b>Tax Expense:</b>				
	(a) Current Tax		502.06	120.85	108.05
	(b) Mat Credit Entitlement		-	119.24	108.05
	(c) Mat Credit Utilized		(103.34)	-	-
	(d) Deferred Tax		154.87	113.44	119.46
	<b>Total Tax Expense</b>		<b>760.27</b>	<b>115.04</b>	<b>119.46</b>
<b>IX</b>	<b>Profit After Tax (VII - VIII)</b>		<b>1,659.53</b>	<b>864.52</b>	<b>695.21</b>
<b>X</b>	<b>Earnings Per Share (of Rs. 10 each):</b>				
	(a) Basic	II.13	9.81	5.28	7.05
	(b) Diluted	II.13	9.81	5.28	7.05

**ANNEXURE III- RESTATED STATEMENT OF CASH FLOWS**

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>Profit before tax and exceptional Items</b>	<b>2,419.80</b>	<b>979.57</b>	<b>814.67</b>
<b>Adjustments for:</b>			
Depreciation & amortization expense	1,022.22	991.67	1,072.33
Interest expense on borrowings	1,398.02	1,084.56	1,075.20
Net (gain)/ loss on sale of Property Plant & Equipment	(17.45)	0.00	0.00
Previous Year Adjustment	0.00	0.00	0.00
<b>Operating Profit before working capital changes</b>	<b>4,822.59</b>	<b>3,055.80</b>	<b>2,962.20</b>
<b>Changes in operating assets and liabilities:</b>			
(Increase)/Decrease in Inventories	0.68	(64.49)	(1,318.82)
(Increase)/Decrease in Trade Receivables	(3,105.21)	(676.89)	(3,661.44)
(Increase)/Decrease in Other Current Assets	(604.34)	(341.55)	366.73
(Increase)/Decrease in Short Term Advances	(657.11)	(528.82)	(2.79)
(Increase)/Decrease in Long Term Advances	(393.02)	30.96	9.14
Increase/(Decrease) in Long Term Provisions	12.08	7.34	13.99
Increase/(Decrease) in Other Non Current Assets	0.00	0.00	0.00
Increase/(Decrease) in Other Non-Current Liabilities	(365.01)	(7.70)	328.44
Increase/(Decrease) in Trade Payables	(723.02)	(2,376.79)	3,597.71
Increase/(Decrease) in Other Current Liabilities	(7.27)	(281.19)	600.59
Increase/(Decrease) in Short Term Provisions	264.44	2.18	(16.62)
<b>Cash generated from operations</b>	<b>(755.19)</b>	<b>(1,181.14)</b>	<b>2,879.14</b>
Income taxes refunded/ (paid)	502.06	120.85	108.05
<b>Net cash flow from operations (A)</b>	<b>(1,257.25)</b>	<b>(1,301.99)</b>	<b>2,771.09</b>
<b>Cash flow from investing activities</b>			
Purchase of Fixed Assets	(286.54)	(1,411.99)	(1,022.04)
Purchase of Shares	0.00	-	(100.00)
Purchase of Mutual Fund		(18.00)	
Proceeds from sale of Investment	-	-	-
Proceeds from sale of Assets	30.17	-	3.52
<b>Net cash used in investing activities (B)</b>	<b>(256.36)</b>	<b>(1,429.99)</b>	<b>(1,118.52)</b>
<b>Cash flow from financing activities</b>			
Payment of Interest	(1,398.02)	(1,084.56)	(1,075.20)
Increase in Share Capital/Share Premium	603.54	-	2,100.00
Increase in Share Application Money	-	-	-
Increase/(Decrease) in Term Loan	(764.39)	(391.65)	(648.78)



Increase/(Decrease) in Unsecured Loan	(1,278.23)	(508.51)	(2,087.53)
Increase/(Decrease) in Cash Credit Balance	4,664.22	4,728.11	135.77
<b>Net cash flow from/ (used in) financing activities ( C )</b>	<b>1,827.12</b>	<b>2,743.39</b>	<b>(1,575.74)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	<b>313.50</b>	<b>11.41</b>	<b>76.83</b>
Cash and cash equivalents at the beginning of the year	501.48	490.07	413.24
<b>Cash and cash equivalents at the closing of the year</b>	<b>814.98</b>	<b>501.48</b>	<b>490.07</b>
a) Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note I-17):			
<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Cash and Bank Balances	814.98	501.48	490.07
	<b>814.98</b>	<b>501.48</b>	<b>490.07</b>

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## GENERAL INFORMATION

### BRIEF INFORMATION ON COMPANY AND ISSUE

<b>Registered Office</b>	A-10 Floor First Landmark Near Deepali Chowk, Saraswati Vihar, Pitampura, New Delhi - 110034 <b>E-mail:</b> <a href="mailto:nikitapapers@hotmail.com">nikitapapers@hotmail.com</a> <b>Website:</b> <a href="http://www.nikitapapers.com">www.nikitapapers.com</a> <b>Tel.</b> 7300712189		
<b>Corporate Office</b>	C-10, Industrial Estate Panipat Road, Shamli, Muzaffarnagar, Muzaffarnagar, Uttar Pradesh, India, 247776 <b>E-mail:</b> <a href="mailto:nikitapapers@hotmail.com">nikitapapers@hotmail.com</a> <b>Website:</b> <a href="http://www.nikitapapers.com">www.nikitapapers.com</a> <b>Tel.</b> 7300712189		
<b>Manufacturing Unit:</b>	C-6,9,10,11 Industrial Estate, Panipat Road, Shamli-247 776 (U.P.) India		
<b>Date of Incorporation</b>	August 18, 1989		
<b>CIN</b>	U74899DL1989PLC129066		
<b>Company Category</b>	Company Limited by Shares		
<b>Registrar of Company</b>	Registrar of Companies, Delhi & Haryana 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019, India Tel No.: 011-26235703, 26235708 Email: <a href="mailto:roc.delhi@mca.gov.in">roc.delhi@mca.gov.in</a> Website: <a href="http://www.mca.gov.in">www.mca.gov.in</a>		
<b>Company Secretary and Compliance Officer</b>	Ms. Shefali Gupta Flat No. 604, The Villa Apartment, 7/105A, Phase – 2, Kanpur, Uttar Pradesh – 208002 Tel: +91-7905462919 Email: <a href="mailto:Compliance@nikitapapers.com">Compliance@nikitapapers.com</a>		
<b>Chief Financial Officer</b>	Mr. Atul Aeron Kiran Niketan, Chaudhary Charan Singh Marg, Adarsh Colony, Muzaffarnagar, Uttar Pradesh 251002 Tel: 9837400349 Email: <a href="mailto:cfo@nikitapapers.com">cfo@nikitapapers.com</a>		
<b>Designated Stock Exchange</b>	Emerge Platform of National Stock Exchange of India Limited Address: Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400051		
<b>Issue Programme</b>	<b>Issue Opens On:</b>	<b>[•] Closes</b>	<b>Issue On:</b>
<b>Achor Bid Date</b>	<b>[•]</b>		

**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**

<b>Lead Manager to the Issue</b>	<b>Registrar to the Issue</b>
 <b>Fastrack Finsec</b> Category-I Merchant Banker	 <b>Skyline</b> <i>Towards Excellence</i> <b>Financial Services Pvt. Ltd.</b>
<b>Fast Track Finsec Private Limited</b>	<b>Skyline Financial Services Private Limited</b>
<b>Address:</b> Office No. V-116, 1 <sup>st</sup> Floor, New Delhi House 27, Barakhamba Road, New Delhi – 110001	<b>Address:</b> D-153 A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase - I, New Delhi-110020
<b>Tel No.:</b> +91 – 011-43029809	<b>Tel No:</b> +91- 11-40450193-97;
<b>Fax No.</b> Not Available	<b>Fax No:</b> +91-11-26812682-83
<b>Email:</b> <a href="mailto:mb@ftfinsec.com">mb@ftfinsec.com</a>   <a href="mailto:investor@ftfinsec.com">investor@ftfinsec.com</a>	<b>Email:</b> <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a>
<b>Website:</b> <a href="http://www.ftfinsec.com">www.ftfinsec.com</a>	<b>Website:</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a>
<b>Contact Person:</b> Ms. Sakshi	<b>Contact Person:</b> Mr. Anuj Rana
<b>SEBI Registration No.</b> INM000012500	<b>SEBI Registration No.:</b> INR000003241
<b>Market Maker</b>	<b>Peer Reviewed/ Statutory Auditor</b>
[•]	<b>M/s Mittal Goel &amp; Associates</b>
[•]	Chartered Accountants
<b>Address:</b> [•]	<b>Address:</b> SCO 40-41 Level 3, Sector 17A, Chandigarh
<b>Tel No.:</b> [•]	<b>Tel No.</b> 91-172-4657889 <b>Fax No.</b> Not Available
<b>Email:</b> [•]	<b>Email:</b> <a href="mailto:admin@mgacaindia.com">admin@mgacaindia.com</a>
<b>Website:</b> [•]	<b>Contact Person:</b> Mr. Sandeep Goel
<b>Contact Person:</b> [•]	<b>Firm Registration No.:</b> 017577N
<b>SEBI Registration No.:</b> [•]	<b>Peer Review Certificate No.</b> 015061
<b>Banker to the company</b>	
<b>Punjab National Bank</b>	<b>HDFC Bank</b>
<b>Address:</b> Corporate Banking Branch, 94, BMK Market, GT Road, Panipat, Haryana-132103	<b>Address:</b> 150 C.B. Gupta Colony, Meerut – Karnal Road, Shamli (U.P.)
<b>Tele. No.:</b> 01802631521	<b>Tele. No.:</b> 9837632600
<b>Fax No.</b> Not Available	<b>Fax No.</b> Not Available
<b>E-mail:</b> <a href="mailto:bo8144@pnb.co.in">bo8144@pnb.co.in</a>	<b>E-mail:</b> <a href="mailto:ravi.verma18@hdfcbank.com">ravi.verma18@hdfcbank.com</a>
<b>Website:</b> <a href="http://www.pnbindia.in">www.pnbindia.in</a>	<b>Website:</b> <a href="http://www.hdfcbank.com">www.hdfcbank.com</a>
<b>Banker to the Issue &amp; Sponsor bank</b>	<b>Legal Advisor</b>
[•]	<b>Aman Thukral, Advocate</b>
[•]	<b>Address:</b> 701, 7 <sup>th</sup> Floor, Prakashdeep Building, 7, Tolstoy Marg, New Delhi – 110001
<b>Address:</b> [•]	<b>Mobile. No.:</b> 011-43015690
<b>Tele. No.:</b> [•]	<b>Email Id:</b> <a href="mailto:amanthukral@outlook.com">amanthukral@outlook.com</a>
<b>E-mail:</b> [•]	<b>Contact Person:</b> Mr. Aman Thukral
<b>Website:</b> [•]	<b>Enrollment no.:</b> D/3041/2018
<b>Contact Person:</b> [•]	

## DETAILS OF BOARD OF DIRECTORS OF OUR COMPANY

DIN	Name	Address	Category	Designation
00321238	Mr. Ashok Kumar Bansal	544-B Kamla Colony, Shamli, Uttar Pradesh – 247776	Executive	Managing Director
00321226	Mr. Sudhir Kumar Bansal	544-B Kamla Colony, Shamli Uttar Pradesh – 247776	Executive	Chairman and Director
00774900	Mr. Ayush Bansal	544-B Kamla Colony, Shamli Uttar Pradesh – 247776	Executive	Whole Time Director
09190361	Ms. Sandhya Bansal	544-B Kamla Colony, Shamli Uttar Pradesh – 247776	Executive	Director
00246177	Mr. Ashok Kumar Mittal	357, Karnal Road Kaka Nagar, Karnal Road, Shamli, 247776, Uttar Pradesh, India	Non-Executive	Independent Director
10442316	Mr. Sudhir Kumar Jain	243, Kamla Colony, Shamli, Muzaffarnagar, Uttar Pradesh India- 247776	Non-Executive	Independent Director
07392916	Mr. Akash Gupta	3094, Gali No. 3 Dharampur, Near Gurudwara, Gandhi Nagar, East Delhi, India - 110031	Non-Executive	Independent Director

For further details of our directors, please refer chapter titled “Our Management” beginning on page 209 of this Draft Red Herring Prospectus.

### INVESTOR GRIEVANCES:

Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Issue and/or Lead Manager in case of any Pre-Issue or Post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and non-receipt of funds by electronic mode.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, giving full details such as Name of the Sole or First Applicant, Application Form number, Applicant’s DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Applicants submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date



of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Lead Manager shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount.

### **SELF-CERTIFIED SYNDICATE BANKS**

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Applicant, (other than an RII using the UPI Mechanism), not Applying through Syndicate or through a Registered Broker, may submit the ASBA Forms, is available at the abovementioned link, and at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form of Applicants is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

### **INVESTORS BANKS OR ISSUER BANKS FOR UPI**

In accordance with UPI Circulars, RIIs applying via UPI Mechanism may apply through the SCSBs and mobile applications, whose names appear on the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>), as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' to the SEBI circular, bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

### **REGISTERED BROKERS**

Bidders can submit Bid cum Application Forms in the Offer using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. 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](http://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 OFFER 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](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

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

Since Fast Track Finsec Private Limited is the sole Lead Manager to this Issue, a statement of inter-se-allocation of responsibilities amongst Lead Managers is not required.

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **EXPERT OPINION**

Except the report of the peer review auditor on Statement of Tax Benefits and report on Restated Financials, for the financial years ended March 31, 2024, 2023 and 2022 is included in this Draft Red Herring Prospectus, our company has not obtained any expert opinion.

## **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 Rs. 10,000 Lakh. Since the Issue size is below Rs. 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.

The object of the issue and deployment of funds are not appraised by any independent agency/bank/financial institution except by an independent agency i.e Dun & Bradstreet through in report dated April 20, 2024 with a title “Techno Economic Viability Study”.

## **UNDERWRITING AGREEMENT**

Our Company and BRLM to the issue hereby confirm that the Issue is [•] Underwritten. The Underwriting agreement is dated [•]. 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 (Rs. In Lakh)	% of the Total Issue Size Underwritten
[•]	[•]	[•]	[•]

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 DRAFT RED HERRING PROSPECTUS

In terms of Regulation 246(1) of the SEBI (ICDR) Regulations, 2018, a copy of the Draft Red Herring Prospectus shall be filed with the Board (SEBI) through the Lead Manager, immediately upon filing of the offer document with the Registrar of Companies. However, as per Regulation 246(2) of the SEBI (ICDR) Regulations, 2018, the Board (SEBI) shall not issue any observation on the offer document.

In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, 2018, a copy of this Draft Red Herring Prospectus and Prospectus shall also be furnished to the Board in a soft copy.

A copy of the Draft Red Herring Prospectus shall be filed electronically with the SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI and with the Designated Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, a copy of the Draft Red Herring Prospectus will be mailed at the e-mail address: [cfddcr@sebi.gov.in](mailto:cfddcr@sebi.gov.in)

A copy of the Red Herring Prospectus, along with the material contracts, documents and the Prospectus will also be filed with the ROC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

### CHANGE IN THE AUDITOR DURING LAST 3 YEARS

Except as stated below, there are no changes in the Auditor during last three (3) years as on date of this Draft Red Herring Prospectus:

S. No.	Particulars	Date of Appointment	Date of Resignation	Reason of Resignation
1.	M/s. Agarwal Ajay & Associates Chartered Accountant FRN: 406630  Address: 655, Patel Nagar, New Mandi, Muzaffarnagar, Uttar Pradesh-Up	September 30, 2019	December 5, 2023	Unwilling to continue as Statutory Auditor of the company, due to time and team Constraints.
2.	M/s. Mittal Goel & Associates., Chartered Accountant FRN: 017577N Address: SCO 40-41 Level 3, Sector 17A, Chandigarh	December 20, 2023	NA	NA

## 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 NSE Emerge 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 NSE Emerge, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company and the Lead Manager have entered into a tripartite agreement dated [•] with [•] the Market Maker for this Issue, duly registered with NSE Emerge to fulfill the obligations of Market Making:

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE 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 NSE Limited and SEBI from time to time.
3. The minimum depth of the quote shall be Rs.1,00,000. However, the investors with holdings of value less than Rs.1,00,000 shall be allowed to offer 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 scrip 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 Market 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.

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 abovementioned 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.

9. **Risk containment measures and monitoring for Market Makers:** Emerge Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
10. **Punitive Action in case of default by Market Maker:** Emerge Platform of NSE 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 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 buyquote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs. 20 Crore	25%	24%
Rs.20 Crore to Rs.50 Crore	20%	19%
Rs.50 Crore to Rs.80 Crore	15%	14%
Above Rs.80 Crore	12%	11%



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

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

No green shoe option is contemplated under the Offer.

## BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band has been determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, all editions of a widely circulated Hindi Newspaper, and an Regional Language News Paper, where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price has been determined by our Company in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date. Principal parties involved in the Book Building Process are:

Our Company;

- The Book Running Lead Manager in this case being Fast Track Finsec Private Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange Limited and eligible to act as Underwriters;
- The Registrar to the Issue
- The Escrow Collection Banks/ Bankers to the Issue;
- The Sponsor Bank(s);
- The Designated Intermediaries

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

For further details on the method and procedure for Bidding, see “*Issue Structure*” and “*Issue Procedure*” on pages 362 and 327, respectively.

**The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in this Issue.**

**Illustration of Book Building and Price Discovery Process** (Investors should note that this example is solely for illustrative purposes and is not specific to the issue) Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20.00 to ₹ 24.00 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.



Bid Quantity	Bid Price (₹)	Cumulative Bid Quantity	Subscription
500	24	500	16.67%
1,000	23	1500	50.00%
1,500	22	3000	100.00%
2,000	21	5000	166.67%
2,500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22/- in the above example. The Issuer in consultation with the Book Running Lead Manager will finalize the issue price at or below such cut-off price, i.e., at or below ₹ 22/-. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled “Issue Procedure” on page 327 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non-Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non-Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

## CAPITAL STRUCTURE

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

(Rs. in Lakhs)

S. No.	Particulars	Aggregate Nominal value	Aggregate value at offer price
<b>A.</b>	<b>Authorised Share Capital</b>		
	2,50,00,000 Equity Shares of face value Rs.10/- each	2500.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	1,81,73,500 Equity Shares of face value Rs.10/- each	1817.35	-
<b>C.</b>	<b>Present Issue in terms of the Draft Red Herring Prospectus</b>		
	Issue of 64,94,400 Equity Shares of face value Rs.10/- each at a price of Rs. [•] per share	649.44	[•]
	<b>Consisting of:</b>		
(I)	Reservation for Market Maker- [•] Equity Shares of face value Rs.10/- each at a price of Rs. [•] per Equity Share reserved as Market Maker Portion.	[•]	[•]
(II)	Net Issue to the Public – [•] Equity Shares of face value Rs.10/- each at a price of Rs. [•] per Equity Share.	[•]	[•]
	<b>Of the Net Issue to the Public</b>		
(I)	Allocation to Retail Individual Investors – [•] Equity Shares of face value Rs.10/- each at a price of Rs. [•] per Equity Share shall be available for allocation for Investors applying for a value of up to Rs. 2.00 Lakhs.	[•]	[•]
(II)	Allocation to Other than Retail Individual Investors – [•] Equity Shares of face value Rs.10/- each at a price of Rs. [•] per Equity Share shall be available for allocation for Investors applying for a value of above Rs.2.00 Lakhs.	[•]	[•]
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	[•] Equity Shares of face value Rs. 10/- each		[•]
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	1525.04	
	After the Issue		[•]

*The present issue has been authorized by our Board of Directors vide a resolution passed at its meeting held on dated March 12, 2024 and by Special Resolution passed under Section 26 and other applicable provisions of the Companies Act, 2013 at the EGM of our shareholders held on April 22, 2024.*

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

## NOTES TO THE CAPITAL STRUCTURE

### 1. Details of increase in Authorized Share Capital:

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

S. No.	Date	No. of Shares	Face Value (in Rs.)	Cumulative No. of Shares	Cumulative Authorized Share Capital (in Rs.)	Whether AGM / EGM
1.	On Incorporation	2,50,000	10	-	25,00,000	N.A.
2.	24/07/1990	1,70,000	10	4,20,000	42,00,000	EGM
3.	20/11/2001	1,20,000	10	5,40,000	54,00,000	EGM
4.	22/01/1993	2,10,000	10	7,50,000	75,00,000	EGM
5.	25/04/1994*	17,50,000	10	25,00,000	2,50,00,000	EGM
6.	26/08/1996	5,00,000	10	30,00,000	3,00,00,000	EGM
7.	12/02/2001	10,00,000	10	40,00,000	4,00,00,000	EGM
8.	14/09/2004	9,00,000	10	49,00,000	4,90,00,000	EGM
9.	25/06/2014	11,00,000	10	60,00,000	6,00,00,000	EGM
10.	29/02/2020	40,00,000	10	100,00,000	10,00,00,000	EGM
11.	20/12/2023	1,50,00,000	10	250,00,000	25,00,00,000	EGM

\*Form for the 25/04/1994 is not available in the records of the Company.

### 2. History of Equity Share Capital of our Company

S. No.	Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (Rs.)	Cumulative Securities premium (Rs.)
1.	On Incorporation <sup>(1)</sup>	200	10	10	Cash	Subscribers to Memorandum of Association	200	2000	NA
2.	21.12.1990* <sup>(2)</sup>	1,01,000	10	10	Cash	Further allotment	101200	1012000	NA
3.	31.03.1992 <sup>(3)</sup>	4,38,800	10	10	Cash	Further allotment	540000	5400000	NA
4.	21.03.1994 <sup>(4)</sup>	1,60,000	10	10	Cash	Further allotment	700000	7000000	NA
5.	09.05.1994* <sup>(5)</sup>	50,000	10	10	Cash	Further allotment	750000	7500000	NA

6.	28.07.1994 <sup>(6)</sup>	15,00,000	10	0	Other than cash	Bonus issue (in ratio- 1:2)	2250000	22500000	N/A
7.	28.03.1997 <sup>(7)</sup>	4,46,000	10	10	Cash	Further allotment	2696000	26960000	NA
8.	21.02.2000 <sup>(8)</sup>	2,50,000	10	10	Cash	Further allotment	2946000	29460000	NA
9.	20.05.2004 <sup>(9)</sup>	1,75,000	10	10	Cash	Further allotment	3121000	31210000	NA
10.	29.07.2004 <sup>(10)</sup>	6,92,500	10	10	Cash	Further allotment	3813500	38135000	NA
11.	29.10.2004 <sup>(11)</sup>	3,00,000	10	10	Cash	Further allotment	4113500	41135000	NA
12.	07.05.2007 <sup>(12)</sup>	5,00,000	10	20 (including premium of Rs. 10)	Cash	Further allotment	4613500	46135000	5000000
13.	01.10.2014 <sup>(13)</sup>	5,00,000	10	22 (Including premium of Rs. 12)	Cash	Equity shares without Differential rights	5113500	51135000	6000000
14.	24.03.2022 <sup>(14)</sup>	35,00,000	10	60 (Including premium of Rs. 50)	Cash	preferential basis conversion of unsecured loan of Rs.21,00,00,000 on preferential basis	8613500	86135000	175000000
15.	11.12.2023 <sup>(15)</sup>	9,51,500	10	63.43 (Including premium of Rs. 53.43)	Cash	Preferential allotment	9565000	95650000	50838645
16.	28.12.2023 <sup>(16)</sup>	86,08,500	10	NA	Other than Cash	Bonus Issue (in ratio-9:10)	18173500	18173500	NA

\*Form for the 21.12.1990, 09.05.1994 and 28.07.1994 are not available in the records of the Company.

1. Initial Subscribers to Memorandum of Association hold 200 Equity Shares each of face value of Rs. 10/- fully paid up as per the details given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Mr. Sudhir Kumar Bansal	100
2.	Mr. Ashok Kumar Bansal	100
<b>Total</b>		<b>200</b>

2. Further Allotment of 1,01,000 Equity Shares of Face Value of Rs. 10/- each fully paid on 21.12.1990. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	N.C Bansal	12710
2.	Sudhir Kumar Bansal	17300
3.	Ashok Kumar Bansal	16700
4.	Mithlesh Rani Bansal	1500
5.	Sandhya Bansal	2000
6.	Neera Bansal	7000
7.	SK Bansal & Sons	2000
8.	Kursheed Hasan	2500
9.	Farad Ali	2500
10.	Shamshad Ali	2500
11.	Dayaram Saxena	2500
12.	Davir Hasan	2500
13.	Raj Pal Singh	2500
14.	Radhe Shyam	2500
15.	Sanjeev Kumar Sharma	2500
16.	Harsharan Das Agarwal	3000
17.	Moolchand Agarwal	3000
18.	Dinesh Kumar	2500
19.	Rajkumar	2500
20.	Renu Gupta	9500
21.	Birjiesh Rani	1000
22.	Raj Bhan Singh	140
23.	Jai Pal	150

*\*list of allottees as on 21.12.1990 is not available in the records of the Company.*

3. Further Allotment of 4,38,800 Equity Shares of Face Value of Rs. 10/- each fully paid on 31.03.1992. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Naresh Chand Bansal	1,14,000
2.	Sudhir Kumar Bansal	1,05,000
3.	Jaipal Singh	9,000
4.	Rajbhan Singh	8,500
5.	Rajpal Singh	7,500
6.	Daya Ram Saxena	8,500
7.	Rajkumar	7,500
8.	Dinesh Kumar	8,500
9.	Radhey Shyam Sharma	7,500
10.	Sanjeev Kumar	6,500
11.	Ashok Kumar Bansal	69,600
12.	Randhir Singh	1,400

13.	Dabir Hasan	9,500
14.	Brijesh Rani	5,000
15.	Hari Singh	7,500
16.	Surendra Singh	1,550
17.	Abhinav Bansal	5,000
18.	Ankita Bansal	5,000
19.	Nikita Bansal	5,000
20.	Ayush Bansal	5,000
21.	Jallu Singh	1,000
22.	Iqbal Singh	1,600
23.	Nakil Singh	3,000
24.	Anurodh Singh	2,500
25.	Ch. Paras	1,500
26.	Om Kumar	1,500
27.	Moolchand	3,000
28.	Sudhir Kumar Agrawal	1,000
29.	Jay Prakash Goel	7,500
30.	Jille Singh	850
31.	Smt. Vimla Devi	100
32.	Sevaram	100
33.	Suresh Chand	100
34.	Khurshid Hasan	5,000
35.	Farad Ali	5,000
36.	Samshad Ali	5,500
37.	Harsaran Das	3,000

4. Further Allotment of 1,60,000 Equity Shares of Face Value of Rs. 10/- each fully paid on 21.03.1994. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	NC Bansal	22,000
2.	Sudhir Kumar Bansal	32,000
3.	Ashok Kumar Bansal	40,400
4.	Mithlesh Rani Bansal	600
5.	Sandhya Bansal	1,000
6.	Neera Bansal	600
7.	NC Bansal & Sons	14,800
8.	Ashok Kumar Bansal & Sons	5,000
9.	Farhad Ali	2,000
10.	Samshad Ali	2,000
11.	Davir Hasan	1,500
12.	Raj Pal Singh	2,000
13.	Radhe Shyam	2,000

14.	Dinesh Kumar	2,000
15.	Raj Bhan	100
16.	Jai Pal Singh	3,500
17.	Jile Singh	2,000
18.	Iqbal Singh	2,000
19.	Surendra Kumar	2,000
20.	Randheer Singh	2,000
21.	Hari Singh	2,000
22.	Nakli Singh	3,500
23.	Anurodh Singh	3,500
24.	Paras Kumar	2,900
25.	Om Kumar	3,500
26.	Jailu Singh	2,000
27.	Anuj Bansal	100
28.	Ram Charan	2,000
29.	Yash Pal Singh	1,000

*list of allottees as on 21.03.1994 is not available in the records of the Company.*

5. Further Allotment of 5,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid on 09.05.1994. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Ashok Kumar Bansal	5,000
2.	Sandhya Bansal	5,000
3.	Ayush Bansal	5,000
4.	Anuj Bansal	10,000
5.	Nikita Bansal	5,000
6.	Ankita Bansal	5,000
7.	Abhinav Bansal	10,000
8.	Raj Bhan Singh	2,500
9.	Yash Pal Singh	2,500

*list of allottees as on 09.05.1994 is not available in the records of the Company.*

6. Further Allotment by way of Bonus issue of 15,00,000 Equity Shares in the ratio of 1:2 of Face Value of Rs. 10/- each fully paid on 28.07.1994. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	NC Bansal	4,10,600
2.	Sudhir Kumar Bansal	4,10,800
3.	Ashok Kumar Bansal	4,29,580
4.	Mithlesh Bansal	4,200
5.	Sudhir Kumar Bansal & Sons	4,000
6.	Neera Bansal	15,200
7.	Sandhya Bansal	16,000
8.	Harsharan Agarwal	12,000

9.	Moolchand Agarwal	8,000
10.	Sudhir Kumar Agarwal	6,000
11.	Seva Ram	200
12.	Suresh Chand	200
13.	Ayush Bansal	20,000
14.	Anuj Bansal	20,200
15.	Nikita Bansal	20,000
16.	Ankita Bansal	20,000
17.	Abhinav Bansal	30,000
18.	Ashok Kumar Bansal & Sons	10,000
19.	NC Bansal & Sons HUF	32,020
20.	Brijesh Rani	12,000
21.	Renu Rani	19,000

*list of allottees as on 28.07.1994 is not available in the records of the Company.*

7. Further Allotment of 4,46,000 Equity Shares of Face Value of Rs. 10/- each fully paid on 28.03.1997. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Ayush Bansal	3,300
2.	Abhinav Bansal	2,600
3.	Anuj Bansal	1,000
4.	Nikita Bansal	2,300
5.	Ankita Bansal	4,800
6.	Td Engineering Co.(P) Ltd.	150,000
7.	Shamli Trading Co. (P) Ltd.	250,000
8.	Kailash Chand Mittal	32,000

8. Further Allotment of 2,50,000 Equity Shares of Face Value of Rs. 10/- each fully paid on 21.02.2000. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Ashok Kumar	15,000
2.	Ajay Kumar	15,000
3.	Anuj Kumar	20,000
4.	Akshay Kumar	15,000
5.	Dayaram	15,000
6.	Mamta Jain	15,000
7.	M/S Mangeram & Sons (H.U.F)	20,000
8.	Parveen Kumar	15,000
9.	Ravindra Kr. Jain	15,000
10.	Sunil Kumar	15,000
11.	M/S Sojae Ram Lal Chand (H.U.F)	30,000
12.	Sushila Devi	15,000
13.	Satendra Kumar	20,000



14.	Sarla Devi	10,000
15.	Uma Jain	15,000

9. Further Allotment of 1,75,000 Equity Shares of Face Value of Rs. 10/- each fully paid on 20.05.2004. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Kuwar Saiin	10,000
2.	Sandeep Kumar	7,500
3.	Ajay Kumar	7,500
4.	Rishabh Jain	10,000
5.	Manoj Kumar	10,000
6.	Amit Kumar	10,000
7.	M/S Rishi Pal & Sons (HUF)	7,500
8.	M/S Chander Pal & Sons (HUF)	7,500
9.	Nitesh Kumar	7,500
10.	Sanjay Kumar	7,500
11.	Uma Jain	7,500
12.	Sushil Kumar	10,000
13.	Anita Jain	15,000
14.	Dinesh Kumar Jain	7,500
15.	Deepa Jain	7,500
16.	Yogendra Kumar	10,000
17.	Vinod Kumar	7,500
18.	Urmila Jain	10,000
19.	Punish Kumar	7,500
20.	Mahaveer Prasad	7,500

10. Further Allotment of 6,92,500 Equity Shares of Face Value of Rs. 10/- each fully paid on 29.07.2004. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	M/s N.C. Bansal & Sons (HUF)	20,000
2.	M/s S.K. Bansal & Sons (HUF)	22,500
3.	Ravindar Kumar	25,000
4.	Aruna Garg	20,000
5.	Naresh Kumar	20,000
6.	Manoj Kumar	20,000
7.	Ankush Kumar	25,000
8.	M/S Anil Kumar Jain & Sons	20,000
9.	Sharad Chand	10,000
10.	Sangeeta Jain	20,000
11.	M/s Sateesh Chand & Sons	20,000



12.	Usha Jain	20,000
13.	Sangeeta Jain	25,000
14.	Rakhi Goel	25,000
15.	Usha Jain	25,000
16.	Aruna Garg	20,000
17.	Anita Rani	25,000
18.	Anil Kumar Sharma	30,000
19.	Sanjay Kumar	25,000
20.	Ajay Kumar	25,000
21.	Satish Chand	25,000
22.	Mamta Jain	25,000
23.	Akshay Kumar	25,000
24.	Rajendra Kumar	25,000
25.	Amit Kumar	25,000
26.	Dinesh Kumar	25,000
27.	Ashok Kumar	25,000
28.	Raj Bala	25,000
29.	Sushil Kumar	25,000
30.	Deepak Kumar	25,000

11. Further Allotment of 3,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid on 29.10.2004. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Radhey Shyam	25,000
2.	Vinod Kumar	25,000
3.	Mahaveer Prasad	25,000
4.	Mange Ram	25,000
5.	Yogender Kumar	25,000
6.	Aswani Kumar	25,000
7.	Raj Kumar	25,000
8.	Pramod Kumar	25,000
9.	Sharvan Kumar	25,000
10.	Raj Pal	25,000
11.	Rakesh Kumar	25,000
12.	Sri. Pal Jain	25,000

12. Further Allotment of 5,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid on 07.05.2007 at an issue price of Rs. 20/- (including a premium of Rs. 10/- per share). The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Mahindra Kumar	10,000

2.	Satyendra Kumar	12,500
3.	Nirmala Agarwal	10,000
4.	Deepak Kumar	10,000
5.	Surendra Kumar	10,000
6.	Sunil Kumar	12,500
7.	Sushil Kumar	10,000
8.	Sarvan Kumar	12,500
9.	Jitendra Kumar	12,500
10.	Vikas Kumar	12,500
11.	Amit Kumar	12,500
12.	Ashwani Kumar	10,000
13.	Dinesh Kumar	10,000
14.	Mamta Jain	10,000
15.	Deepa Rani	12,500
16.	Raj Bala	10,000
17.	Mange Ram	10,000
18.	Sanjay Kumar	10,000
19.	Raj Pal Singh	10,000
20.	Manish Kumar	12,500
21.	Satish Chand And Sons	10,000
22.	Vipul Kumar	10,000
23.	Arun Kumar	10,000
24.	Anil Kumar & Sons	12,500
25.	Mange Ram & Sons	12,500
26.	Sanjay Kumar & Sons	12,500
27.	Rajendra Kumar	12,500
28.	Yogendra Kumar	12500
29.	Radheshyam	12,500
30.	Sharad Chand	12,500
31.	Pankaj Kumar	12,500
32.	Urmila Jain	10,000
33.	Ram Kumar	10,000
34.	Sripal Jain	12,500
35.	Ashok Kumar	12,500
36.	Sri Janeshwar Dass & Sons	10,000
37.	Daya Ram	10,000
38.	Uma Rani	10,000
39.	Pramod Kumar	12,500
40.	Suresh Chand	12,500
41.	Nisha Rani	12,500
42.	Shiv Kumar	12,500
43.	Reena Rani	12,500
44.	Punish Kumar	12,500

13. Further Allotment of 5,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid an issue price of Rs. 22/- (including a premium of Rs. 12/- per share) on 01.10.2014. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	NC Bansal & Sons	68,000
2.	Sudhir Bansal & Sons	46,000
3.	A.K. Bansal & Sons	45,000
4.	Ayush Bansal & Sons	45,000
5.	Abhinav Bansal & Sons	32,000
6.	Mithlesh Bansal	45,000
7.	Riha Manchanda	55,000
8.	Neera Bansal	45,000
9.	Sandhya Bansal	50,000
10.	Antra Rakesh	24,000
11.	Rachit Bansal	45,000

14. Further Allotment of 35,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid an issue price of Rs. 60/- (including a premium of Rs. 50/- per share) on 24.03.2022 on preferential basis by way of conversion of outstanding loan into equity shares. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Suruchi Mittal	1,55,000
2.	Abhinav Bansal & Sons	33,900
3.	Anuj Bansal & Sons	33,500
4.	Ashok Kumar Bansal	3,37,000
5.	Sandhya Bansal	4,24,500
6.	Mithlesh Bansal	8,71,500
7.	Antara Rakesh	2,82,800
8.	N.C. Bansal & Sons	24,700
9.	A.K. Bansal & Sons	95,000
10.	S.K. Bansal & Sons	12,600
11.	Neera Bansal	2,66,700
12.	Rachit Bansal	1,84,200
13.	Abhinav Bansal	1,40,000
14.	Ayush Bansal	66,700
15.	Anuj Bansal	2,50,000
16.	Sudhir Kumar Bansal	2,38,600
17.	Ayush Bansal & Sons	83,300

15. Further Allotment of 9,51,500 Equity Shares of Face Value of Rs. 10/- each fully paid an issue price of Rs. 63.43/- (including a premium of Rs. 53.43/- per share) on 11.12.2023 on preferential basis. The details of which are given below:

S. No.	Name of Person	No. of Shares Allotted
1	Coeus Global Opportunities Fund	9,51,500

16. Bonus Issue of 86,08,500 Equity Shares in the ratio of 9:10 of face value of ₹ 10/- each fully paid held by the members of the Company, on 28.12.2023 as per the details given below:

S. No.	Name of Person	No. of Shares Allotted
1.	Ayush Bansal	1,41,390
2.	Ashok Kumar Bansal	12,04,983
3.	Sandhya Bansal	4,48,650
4.	M/S Ashok Kumar Bansal & Sons HUF	1,39,500
5.	M/S Naresh Chand Bansal & Sons HUF	1,44,657
6.	M/S Sudhir Kumar Bansal & Sons HUF	78,390
7.	Abhinav Bansal	3,80,340
8.	Anuj Bansal	4,75,920
9.	Rachit Bansal	4,31,550
10.	Neera Bansal	3,56,850
11.	Sudhir Kumar Bansal	8,41,230
12.	Antara Rakesh	2,76,390
13.	Mithllesh Bansal	8,30,520
14.	M/S Ayush Bansal & Sons HUF	1,15,470
15.	M/S Abhinav Bansal & Sons HUF	59,310
16.	MS Anuj Bansal & Sons	30,150
17.	Suruchi Mittal	1,39,500
18.	Riha Bansal	78,750
19.	Coeus Global Opportunity Fund	8,56,350
20.	Rajan Manchanda	29,250
21.	Kanwal Manchanda	45,000
22.	Shri Gagan Malhotra	9,000
23.	Ankur Agarwal	11,250
24.	Akash Gupta & Sons	1,35,000
25.	Nikita Agarwal	36,000
26.	Akhil Gupta	31,500
27.	Aditi Bansal	22,500
28.	Mukesh Goel	31,500
29.	Shri Dinesh Kumar	31,500
30.	Tanvi Manchanda	29,250
31.	Shri Ashok Kumar Mittal	31,500
32.	Sudhir Agarwal	41,850
33.	Navita Agarwal	22,500
34.	Shri Vishal Gupta	31,500
35.	Shri Naresh Gupta	33,750
36.	Ravindra Manchanda	58,500

37.	Prerit Bansal	33,750
38.	Shri Jaipal Jain	33,750
39.	Sunil Agarwal	13,500
40.	Abhinav Agarwal HUF	31,500
41.	Pooja Manchanda	36,000
42.	Abhinav Agarwal	45,000
43.	Sagar Khatri	13,500
44.	Sandeep Jain	29,250
45.	Shri Kamal Singla	9,000
46.	Sushil Bansal	11,250
47.	Gunjan Bhardwaj	11,250
48.	Anil Mittal	11,250
49.	Priyanka Gupta	11,250
50.	Manisha Malhotra	9,000
51.	Manish Mittal	11,250
52.	Anju Manchanda	9,000
53.	Tushar Gupta	11,250
54.	Suresh Mittal	11,250
55.	Shiv Kumar Mittal	11,250
56.	Reena Gupta	11,250
57.	Kusum Agarwal	5,400
58.	Sumit Gupta (HUF)	4,500
59.	Sumit Gupta	4,500
60.	Ruchi Gupta	4,500
61.	Bharti Gupta	4,500
62.	Avinash Agarwal	4,950
63.	Sangeeta Gupta	41,850
64.	Vineet Gupta HUF	6,750
65.	Rakhi Jain	6,750
66.	Brij Mohan Gupta HUF	4,500
67.	Amrita Agarwal	5,400
68.	M/S Alliance Farms & Agriculture Ltd	4,08,150
69.	Anil Kumar Goel & Sons	29,250
70.	Naresh Gupta & Sons	6,750
71.	Dr Anil Sharma	27,000
72.	Vandana Sharma	6,750
73.	Sandeep Jain & Sons (HUF)	11,250

### Shareholding of the Promoters of our Company

As on the date of this Draft Red Herring Prospectus, our Promoters – Mr. Ashok Kumar Bansal, Mr. Sudhir Kumar Bansal, Mr. Ayush Bansal, Mr. Abhinav Bansal, Mr. Anuj Bansal, Ashok Kumar Bansal & Sons HUF, Naresh Chand Bansal & Sons HUF, Sudhir Kumar Bansal & Sons HUF, Ayush Bansal & Sons HUF, Abhinav Bansal & Sons HUF and Anuj Bansal & Sons HUF holds total 76,23,940 Equity Shares 41.95% representing of the pre-issue paid up share capital of our Company.

#### Details of build-up of shareholding of the Promoters

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (inRs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>Mr. Ashok Kumar Bansal</b>							
Incorporation	Subscriber to MOA	100	10	N.A.	Cash	N.A.	Negligible
21.12.1990	Allotment	16700	10	10	Cash	N.A.	0.09
31.03.1992	Allotment	69600	10	10	Cash	N.A.	0.38
21.03.1994	Allotment	40400	10	10	Cash	N.A.	0.22
09.05.1994	Allotment	5000	10	N.A.	Cash	N.A.	0.03
26.06.1994	Transfer	7500	10	10	Cash	Khursheed Hasan	0.04
26.06.1994	Transfer	11000	10	10	Cash	Dayaram Saxena	0.06
26.06.1994	Transfer	13500	10	10	Cash	Davir Hasan	0.07
26.06.1994	Transfer	9500	10	10	Cash	Rajkumar	0.05
26.06.1994	Transfer	11240	10	10	Cash	Raj Bhan Singh	0.07
26.06.1994	Transfer	12650	10	10	Cash	Jai Pal	0.04
26.06.1994	Transfer	6500	10	10	Cash	Nakli Singh	0.03
26.06.1994	Transfer	6000	10	10	Cash	Anurodh Singh	0.03
26.06.1994	Transfer	5000	10	10	Cash	Om Kumar	0.03
26.06.1994	Transfer	100	10	10	Cash	Vimla Devi	Negligible
28.07.1994	Allotment	429580	10	N.A.	N.A.	N.A.	2.36
25.03.2004	Transfer	250000	10	10	Cash	Shamli Trading Co	1.38

29.03.2010	Transfer	(126700)	10	10	Cash	Skand International Pvt Ltd	(0.70)
24.03.2022	Allotment	337000	10	60	Cash	NA	1.85
28.10.2022	Transfer	234200	10	10	Cash	N.C. Bansal	1.29
28.12.2023	Allotment	1204983	10	N.A.	N.A.	NA	6.63
<b>Total</b>		<b>25,43,853</b>	-	-	-	-	<b>14%</b>

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 pledged.

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>Mr. Sudhir Kumar Bansal</b>							
Incorporation	Subscriber to MOA	100	10	N.A.	Cash	N.A.	Negligible
21.12.1990	Allotment	17300	10	10	Cash	N.A.	0.10
31.03.1992	Allotment	105000	10	10	Cash	N.A.	0.58
21.03.1994	Allotment	32000	10	10	Cash	N.A.	0.18
26.06.1994	Transfer	9500	10	10	Cash	Farad Ali	0.05
26.06.1994	Transfer	10000	10	10	Cash	Shamshad Ali	0.06
26.06.1994	Transfer	12000	10	10	Cash	Rajpal Singh	0.07
26.06.1994	Transfer	9500	10	10	Cash	Hari Singh	0.05
26.06.1994	Transfer	3550	10	10	Cash	Surendra Singh	0.02
26.06.1994	Transfer	3600	10	10	Cash	Iqbal Singh	0.02
26.06.1994	Transfer	2850	10	10	Cash	Jille Singh	0.02
28.07.1994	Allotment	410800	10	NA	N.A.	N.A.	2.26
29.03.2010	Transfer	(154300)	10	10	Cash	Guru Udyog Pvt Ltd.	-0.85
24.03.2022	Allotment	238600	10	60	Cash	NA	1.31
28.10.2022	Transfer	234200	10	10	Cash	N.C Bansal	1.29
28.12.2023	Allotment	841230	10	NA	NA	NA	4.63



<b>Total</b>		<b>17,75,930</b>	-	-	-	-	<b>9.772</b>
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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 pledged.

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>Mr. Ayush Bansal</b>							
31.03.1992	Allotment	5000	10	10	Cash	NA	0.03
09.05.1994	Allotment	5000	10	10	Cash	NA	0.03
28.07.1994	Allotment	20000	10	NA	N.A.	NA	0.11
28.03.1997	Allotment	3300	10	10	Cash	NA	0.02
02.05.2005	Transfer	34800	10	10	Cash	Ankita Bansal	0.19
21.12.2006	Transfer	32300	10	10	Cash	Nikita Bansal	0.18
27.05.2010	Transfer	(10000)	10	10	Cash	Vasudev Enterprises Pvt Ltd	-
24.03.2022	Allotment	66700	10	60	Cash	NA	0.37
28.12.2023	Allotment	141390	10	NA	NA	NA	0.78
<b>Total</b>		<b>2,98,490</b>	-	-	-	-	<b>1.64</b>

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 pledged.

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>Mr. Anuj Bansal</b>							
21.03.1994	Allotment	100	10	10	Cash	NA	Negligible
09.05.1994	Allotment	10,000	10	10	Cash	NA	0.06

28.07.1994	Allotment	20200	10	N.A.	N.A.	NA	0.11
28.03.1997	Allotment	1000	10	10	Cash	NA	0.01
17.03.2008	Transfer	25000	10	10	Cash	Dayaram Saxena	0.14
17.03.2008	Transfer	20000	10	10	Cash	Anuj Kumar	0.11
17.03.2008	Transfer	20000	10	10	Cash	Manoj Kumar	0.11
17.03.2008	Transfer	20000	10	10	Cash	Urmila Jain	0.11
17.03.2008	Transfer	20000	10	10	Cash	Punish Kumar	0.11
17.03.2008	Transfer	20000	10	10	Cash	Naresh Kumar	0.11
17.03.2008	Transfer	22500	10	10	Cash	Sharat Chand	0.12
17.03.2008	Transfer	25000	10	10	Cash	Rakhi Goel	0.14
17.03.2008	Transfer	25000	10	10	Cash	Anita Rani	0.14
17.03.2008	Transfer	25000	10	10	Cash	Satish Chand	0.14
17.03.2008	Transfer	25000	10	10	Cash	Raj Bala	0.14
24.03.2022	Allotment	250000	10	60	Cash	NA	1.38
28.12.2023	Allotment	475920	10	NA	NA	NA	2.62
<b>Total</b>		<b>10,04,720</b>	.	.	.	.	<b>5.53</b>

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 pledged.

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>Mr. Abhinav Bansal</b>							
31.03.1992	Allotment	5000	10	10	Cash	NA	0.03
09.05.1994	Allotment	10000	10	10	Cash	NA	0.06
28.07.1994	Allotment	30,000	10	N.A.	N.A.	NA	0.17
28.03.1994	Allotment	2600	10	10	Cash	NA	0.01
28.03.2008	Transfer	42500	10	10	Cash	Sanjay Kumar	0.23
28.03.2008	Transfer	35000	10	10	Cash	Deepak Kumar	0.19
28.03.2008	Transfer	10000	10	10	Cash	Ram Kumar	0.06
28.03.2008	Transfer	10000	10	10	Cash	Rishabh Jain	0.06
28.03.2008	Transfer	15000	10	10	Cash	Ashok Kumar	0.08
28.03.2008	Transfer	15000	10	10	Cash	Praveen Kumar	0.08
28.03.2008	Transfer	30000	10	10	Cash	Sojaj Ram Lal	0.17

						Chand	
28.03.2008	Transfer	47500	10	10	Cash	Ajay Kumar	0.26
28.03.2008	Transfer	45000	10	10	Cash	Usha Jain	0.25
29.03.2010	Transfer	(15000)	10	10	Cash	Vasudev Enterprises Pvt Ltd	-0.08
24.03.2022	Allotment	1,40,000	10	60	Cash	NA	0.77
28.12.2023	Allotment	380340	10	NA	Bonus issue	NA	2.09
<b>Total</b>		<b>8,02,940</b>	.	.	.	.	<b>4.42%</b>

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 pledged.

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>M/s Ashok Kumar Bansal &amp; Sons HUF</b>							
21.03.1992	Allotment	5000	10	10	Cash	N.A.	0.03
28.07.1994	Allotment	10000	10	NA	N.A.	N.A.	0.06
01.10.2014	Allotment	45000	10	22	Cash	N.A.	0.25
24.03.2022	Allotment	95000	10	60	Cash	N.A.	0.52
28.12.2023	Allotment	139500	10	NA	Cash	N.A.	0.77
<b>Total</b>		<b>294500</b>	.	.	.	.	<b>1.62%</b>

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 pledged.

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>M/s Sudhir Kumar Bansal &amp; Sons HUF</b>							
21.12.1990	Allotment	2000	10	10	Cash	N.A.	0.01



28.07.1994	Allotment	4000	10	NA	N.A.	N.A.	0.02
29.07.2004	Allotment	22500	10	10	Cash	N.A.	0.12
01.10.2014	Allotment	46000	10	22	Cash	N.A.	0.25
24.03.2022	Allotment	12600	10	60	Cash	N.A.	0.07
28.12.2023	Allotment	78390	10	NA	Cash	N.A.	0.43
<b>Total</b>		<b>165490</b>	.	.	.	.	<b>0.91%</b>

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 pledged.

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>M/s Naresh Chand Bansal &amp; Sons HUF</b>							
21.03.1992	Allotment	14800	10	10	Cash	N.A.	0.08
28.07.1994	Allotment	32020	10	NA	N.A.	N.A.	0.18
26.06.1994	Transfer	1210	10	10	Cash	N.C. BANSAL	0.01
29.07.2004	Allotment	20,000	10	10	Cash	N.A.	0.11
01.10.2014	Allotment	68000	10	22	Cash	N.A.	0.37
24.03.2022	Allotment	24700	10	60	Cash	N.A.	0.14
28.12.2023	Allotment	144657	10	NA	Cash	N.A.	0.80
<b>Total</b>		<b>305387</b>	.	.	.	.	<b>1.68%</b>

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 pledged.

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>M/s Ayush Bansal &amp; Sons HUF</b>							
01.10.2014	Allotment	45000	10	22	Cash	N.A.	0.25
24.03.2022	Allotment	83300	10	60	Cash	N.A.	0.46
28.12.2023	Allotment	115470	10	10	Cash	N.A.	0.64
<b>Total</b>		<b>243770</b>	.	.	.	.	<b>1.34%</b>

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 pledged.

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>M/s Anuj Bansal &amp; Sons HUF</b>							
24.03.2022	Allotment	33500	10	60	Cash	N.A.	0.18
28.12.2023	Allotment	30150	10	NA	Cash	N.A.	0.17
<b>Total</b>		<b>63650</b>	.	.	.	.	<b>0.35</b>

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 pledged.

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue/ Transfer price per Equity Share (in Rs.)	Consideration (cash/ other than cash)	Name of Transferor / Transferee	% of pre issue capital
<b>M/s Abhinav Bansal &amp; Sons HUF</b>							
01.10.2014	Allotment	32000	10	22	Cash	N.A.	0.18
24.03.2022	Allotment	33900	10	60	Cash	N.A.	0.19
28.12.2023	Allotment	59310	10	NA	Cash	N.A.	0.33
<b>Total</b>		<b>125210</b>					<b>0.69%</b>

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 pledged.

### Our shareholding pattern

i. 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 Draft Red Herring 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	No. of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total no. of shares (unrealized as per SCR, 1957) As a % of (A	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares		Number of Shares pledged or otherwise Encumbered		Number of shares held in dematerialized form	
								No. of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (B)	No. (a)		As a % of total shares held (B)
								Class X	Class Y	Total								



I	II	III	IV	V	VI	VII=IV+V+VI	VIII + B +C 2)	IX			X	XI=VII+X	XII		XIII		XIV	
(A)	Promoters and Promoter Group	18	13033050	.	.	13033050	71.715 %	.	.	13033050	71.715 %	.	-	.	.	.	.	13033050
(B)	Public	55	5140450	.	.	5140450	28.285 %	.	.	5140450	28.285 %	.	.	.	.	.	.	5140450
(C)	Non Promoter. Non Public	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
(1)	Shares underlying DRs	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
(2)	Shares held by Employee Trusts	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
	<b>Total</b>	<b>73</b>	<b>18173500</b>	.	.	<b>18173500</b>	<b>100</b>	<b>18173500</b>	.	<b>18173500</b>	<b>100</b>	.	<b>100.00</b>	.	.	.	.	<b>18173500</b>

\*As on the date of this Draft Red Herring Prospectus 1 Equity Shares holds 1 vote.

Note -Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares. The Equity Shares held by our Promoter and members of our Promoter Group are in dematerialized form.



1. As on the date of this Draft Red Herring Prospectus, there are no partly paid-Up shares/outstanding convertible securities/warrants in our Company.
2. 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 share holder	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital	No. of equity shares	As a % of Issued Capital
<b>Promoters</b>					
1.	Ashok Kumar Bansal	25,43,853	13.998	25,43,853	10.31
2.	Sudhir Kumar Bansal	17,75,930	9.772	17,75,930	7.20
3.	Ayush Bansal	2,98,490	1.642	2,98,490	1.21
4.	Abhinav Bansal	8,02,940	4.418	8,02,940	3.25
5.	Anuj Bansal	10,04,720	5.528	10,04,720	4.07
6.	Ashok Kumar Bansal & Sons HUF	2,94,500	1.620	2,94,500	1.19
7.	Naresh Chand Bansal & Sons HUF	3,05,387	1.680	3,05,387	1.24
8.	Sudhir Kumar Bansal & Sons HUF	1,65,490	0.911	1,65,490	0.67
9.	Ayush Bansal & Sons HUF	2,43,770	1.341	2,43,770	0.99
10.	Abhinav Bansal & Sons HUF	1,25,210	0.689	1,25,210	0.51
11.	Anuj Bansal & Sons	63,650	0.350	63,650	0.26
<b>Total – A</b>		<b>76,23,940</b>	<b>41.95</b>	<b>76,23,940</b>	<b>30.90</b>
<b>Promoters Groups</b>					
12.	Sandhya Bansal	9,471,50	5.212	9,47,150	3.84
13.	Rachit Bansal	9,11,050	5.013	9,11,050	3.69
14.	Neera Bansal	7,53,350	4.415	7,53,350	3.05
15.	Antra Rakesh	5,83,490	3.211	5,83,490	2.37
16.	Mithllesh Bansal	17,53,320	9.648	17,53,320	7.11
17.	Suruchi Mittal	2,94,500	1.620	2,94,500	1.19
18.	Riha Bansal	1,66,250	0.915	1,66,250	0.67
<b>Total – B</b>		<b>54,09,110</b>	<b>29.76</b>	<b>54,09,110</b>	<b>21.93</b>
<b>Public</b>					
19.	Coeus Global Opportunity Fund	18,07,850	9.948	18,07,850	7.33
20.	Rajan Manchanda	6,1750	0.340	61,750	0.25
21.	Kanwal Manchanda	95,000	0.523	95,000	0.39
22.	Gagan Malhotra	19,000	0.105	19,000	0.08
23.	Ankur Agarwal	23,750	0.131	23,750	0.10
24.	Akash Gupta & Sons	2,85,000	1.568	2,85,000	1.16
25.	Nikita Agarwal	76,000	0.418	76,000	0.31
26.	Akhil Gupta	66,500	0.366	66,500	0.27
27.	Aditi Bansal	47,500	0.261	47,500	0.19
28.	Mukesh Goel	66,500	0.366	66,500	0.27
29.	Shri Dinesh Kumar	66,500	0.366	66,500	0.27
30.	Tanvi Manchanda	61,750	0.340	61,750	0.25



31.	Shri Ashok Kumar Mittal	66,500	0.366	66,500	0.27
32.	Sudhir Agarwal	88,350	0.392	71,250	0.29
33.	Navita Agarwal	47,500	0.261	47,500	0.19
34.	Shri Vishal Gupta	66,500	0.366	66,500	0.27
35.	Shri Naresh Gupta	71,250	0.392	71,250	0.29
36.	Ravindra Manchanda	1,23,500	0.680	1,23,500	0.50
37.	Prerit Bansal	71,250	0.392	71,250	0.29
38.	Shri Jaipal Jain	71,250	0.392	71,250	0.29
39.	Sunil Agarwal	28,500	0.157	28,500	0.11
40.	Abhinav Agarwal HUF	66,500	0.366	66,500	0.27
41.	Pooja Manchanda	76,000	0.418	76,000	0.31
42.	Abhinav Agarwal	95,000	0.523	95,000	0.39
43.	Sagar Khatri	28,500	0.157	28,500	0.11
44.	Sandeep Jain	61,750	0.340	61,750	0.25
45.	Kamal Singla	19,000	0.105	19,000	0.08
46.	Sushil Bansal	23,750	0.131	23,750	0.09
47.	Gunjan Bhardwaj	23,750	0.131	23,750	0.09
48.	Anil Mittal	23,750	0.131	23,750	0.09
49.	Priyanka Gupta	23,750	0.131	23,750	0.09
50.	Manisha Malhotra	19,000	0.105	19,000	0.08
51.	Manish Mittal	23,750	0.131	23,750	0.09
52.	Anju Manchanda	19,000	0.105	19,000	0.08
53.	Tushar Gupta	23,750	0.131	23,750	0.09
54.	Suresh Mittal	23,750	0.131	23,750	0.09
55.	Shiv Kumar Mittal	23,750	0.131	23,750	0.09
56.	Reena Gupta	23,750	0.131	23,750	0.09
57.	Kusum Agarwal	11,400	0.063	11,400	0.05
58.	Sumit Gupta (HUF)	9,500	0.052	9,500	0.04
59.	Sumit Gupta	9,500	0.052	9,500	0.04
60.	Ruchi Gupta	9,500	0.052	9,500	0.04
61.	Bharti Gupta	9500	0.052	9500	0.04
62.	Avinash Agarwal	10,450	0.058	10,450	0.04
63.	Sangeeta Gupta	88,350	0.486	88,350	0.36
64.	Vineet Gupta HUF	14,250	0.078	14,250	0.06
65.	Rakhi Jain	14,250	0.078	14,250	0.06
66.	Brij Mohan Gupta HUF	9,500	0.052	9,500	0.04
67.	Amrita Agarwal	11400	0.063	11,400	0.05
68.	Alliance Farms & Agriculture Ltd	8,61,650	4.741	8,61,650	3.49
69.	Anil Kumar Goel & Sons	61,750	0.340	61,750	0.25
70.	Naresh Gupta & Sons	14,250	0.078	14,250	0.06
71.	Dr Anil Sharma	57,000	0.314	57,000	0.23
72.	Vandana Sharma	14,250	0.078	14,250	0.06
73.	Sandeep Jain & Sons (HUF)	23,750	0.131	23,750	0.09
	IPO	-	-	64,94,400	26.33
<b>Total. C</b>		<b>51,40,450</b>	<b>28.285</b>	<b>1,16,34,850</b>	<b>47.17</b>
<b>Grand Total (A+B+C)</b>		<b>181,73,500</b>	<b>100.00</b>	<b>2,46,67,900</b>	<b>100.00</b>



3. Our Promoter, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Draft Red Herring Prospectus is filed with Stock Exchange.
4. There are no financing arrangements wherein the Promoter, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Draft Red Herring Prospectus.
5. 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 Rs.)
Ashok Kumar Bansal	25,43,853	11.89
Sudhir Kumar Bansal	17,75,930	11.98
Ayush Bansal	2,98,490	16.44
Abhinav Bansal	8,02,940	13.98
Anuj Bansal	10,04,720	17.70
Ashok Kumar Bansal & Sons HUF	2,94,500	23.23
Naresh Chand Bansal & Sons HUF	3,05,387	11.98
Sudhir Kumar Bansal & Sons HUF	1,65,490	9.07
Ayush Bansal & Sons HUF	2,43,770	24.56
Abhinav Bansal & Sons HUF	1,25,210	21.86
Anuj Bansal & Sons	63,650	31.58

\* As Certified by M/s Mittal Goel & Associates, Chartered Accountants dated 20 June, 2024.

6. 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 Draft Red Herring Prospectus:

S. No.	Name of shareholders	No. of Equity Shares held*	% of Paid-up Capital**
1.	Ayush Bansal	298490	1.642
2.	Ashok Kumar Bansal	2543853	13.998
3.	Sandhya Bansal	947150	5.212
4.	Ashok Kumar Bansal & Sons HUF	294500	1.620
5.	Naresh Chand Bansal & Sons HUF	305387	1.680
6.	Abhinav Bansal	802940	4.418
7.	Anuj Bansal	1004720	5.528
8.	Rachit Bansal	911050	5.013
9.	Neera Bansal	753350	4.145
10.	Sudhir Kumar Bansal	1775930	9.772
11.	Antra Rakesh	583490	3.211
12.	Mithllesh Bansal	1753320	9.648



13.	Ayush Bansal & Sons HUF	243770	1.341
14.	Suruchi Mittal	294500	1.620
15.	Akash Gupta & Sons	1807850	1.568
16.	Coeus Global Opportunity Fund	285000	9.948
17.	M/S Alliance Farms & Agriculture Ltd	861650	4.741
	<b>TOTAL</b>	<b>15466950</b>	<b>85.105</b>

(B) 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 this Draft Red Herring Prospectus:

S. No.	Name of shareholders	No. of Equity Shares held*	% of Paid-up Capital**
1.	Ayush Bansal	298490	1.642
2.	Ashok Kumar Bansal	2543853	13.998
3.	Sandhya Bansal	947150	5.212
4.	Ashok Kumar Bansal & Sons HUF	294500	1.620
5.	Naresh Chand Bansal & Sons HUF	305387	1.680
6.	Abhinav Bansal	802940	4.418
7.	Anuj Bansal	1004720	5.528
8.	Rachit Bansal	911050	5.013
9.	Neera Bansal	753350	4.145
10.	Sudhir Kumar Bansal	1775930	9.772
11.	Antra Rakesh	583490	3.211
12.	Mithllesh Bansal	1753320	9.648
13.	Ayush Bansal & Sons HUF	243770	1.341
14.	Suruchi Mittal	294500	1.620
15.	Akash Gupta & Sons	1807850	1.568
16.	Coeus Global Opportunity Fund	285000	9.948
17.	M/S Alliance Farms & Agriculture Ltd	861650	4.741
	<b>TOTAL</b>	<b>15466950</b>	<b>85.105</b>

(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 Draft Red Herring Prospectus:

S. No.	Name of shareholders	No. of Equity Shares held*	% of Paid up Capital**
1	Mr. Ayush Bansal	298490	1.823
2	Shri A.K Bansal	1338870	15.543
3	Smt. Sandhya Bansal	498500	5.787
4	M/S A.K. Bansal & Sons (H.U.F.)	155000	1.799
5	M/S N.C. Bansal & Sons (H.U.F.)	160730	1.866
6	Mr. Abhinav Bansal	422600	4.906
7	Mr. Anuj Bansal	528800	6.139
8	Mr. Rachit Bansal	479500	5.566



9	Shri S.K. Bansal	934700	10.851
10	Mrs. Antara Rakesh	307100	3.565
11	Smt. Mithlesh Bansal	922800	10.713
12	Smt. Neera Bansal	366500	4.254
13	M/S Ayush Bansal & Sons (Huf)	128300	1.489
14	Smt. Suruchi Mittal	155000	1.799
15	M/S Alliance Farms & Agriculture Ltd.	453500	5.264
16	Akash Gupta & Sons	150000	1.741
	<b>TOTAL</b>	<b>7159000</b>	<b>83.105</b>

(D) List of Shareholders holding 1.00% or more of the Paid-Up Capital of the Company as on date twoyears prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of shareholders	No. of Equity Shares held*	% of Paid-up Capital**
1.	M/S A.K. Bansal & Sons (HUF)	155000	1.799
2.	M/S N.C Bansal & Sons	160730	1.866
3.	M/S S.K Bansal & Sons (HUF)	87100	1.011
4.	M/S T.D Engineering(P) Limited	150000	1.741
5	Mr. Abhinav Bansal	422600	4.906
6	Mr. Anuj Bansal	528800	6.139
7	Mr. Rachit Bansal	479200	5.563
8	Mr. Ayush Bansal	157100	1.823
9	Mr A.K Bansal	1104670	12.824
10	Mr N.C Bansal	468400	5.437
11	Shri S.K Bansal	700500	8.132
12	Smt Antara Rakesh	307100	3.565
13	Smt Mithlesh Bansal	922800	10.713
14	Smt Neera Bansal	366500	4.254
15	Smt Sandhya Bansal	498500	5.787
16	M/S Alliance Farms & Agriculture Ltd.	453500	5.264
17	M/S Ayush Bansal & Sons	128300	1.489
18	Smt. Suruchi Mittal	155000	1.799
	<b>TOTAL</b>	<b>7245800</b>	<b>84.112</b>

\*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 Draft Red Herring Prospectus.

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

7. Our Company has not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.

Except for allotment of the following shares, and as disclosed in “Capital Structure. Notes to the



Capital Structure” above, our Company has not issued any equity shares at a price which is lower than the Issue Price during a period of one year preceding the date of the Draft Red Herring Prospectus:

S. No	Date of allotment	No. of shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of allotment	Benefits accrued to our Company
1.	28.12.2023	86,08,500	10	Nil	Bonus Issue	Nil, except for expansion of capital base of our Company

8. Except as disclosed in this Draft Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
9. We have 73 (Seventy -Three) shareholders as on the date of filing of this Draft Red Herring Prospectus.
10. As on the date of this Draft Red Herring Prospectus, our Promoters and Promoters’ Group hold total 1,30,33,050 Equity Shares representing 71.71% of the pre-issue paid up share capital of our Company.
11. 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 Draft Red Herring Prospectus:
12. 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, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing this Draft Red Herring Prospectus.

### Promoter’s Contribution and other Lock-in details

#### a) Details of Promoter’s Contribution locked-in for three (3) years:

Pursuant to Regulations 236 and 238 of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully diluted post issue Equity Share capital of our Company held by the Promoters shall be considered as Promoter’s Contribution (“**Promoter’s Contribution**”) and shall be locked in for a period of three years from the date of Allotment of Equity Shares and the shareholding of the Promoters in excess of 20% of the fully diluted post issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

*All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares, as the case may be. For details regarding allotment of the above Equity Shares, please refer section “History of Paid-up Share Capital of our Company”.*



Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post issue Equity Share capital of our Company as the Promoter's Contribution. Our Promoters has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing of the Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Compliance with regulation 237 of SEBI ICDR Regulations, the minimum Promoter's contribution of 20% as shown above which is subject to lock-in for three years, we confirm the following:

Reg. No	Promoter's 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 which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b><u>Hence Eligible</u></b>
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 promoter's contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237 (1)(b)	Specified securities acquired by the promoters' and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer.	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Not Applicable.</u></b>
237 (1)(c)	Specified securities allotted to the promoters and alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management.	The minimum Promoter's contribution does not consist of Equity Shares allotted to alternative investment funds. <b><u>Hence Not applicable.</u></b>
237 (1)(d)	Specified securities pledged with any creditor.	Our Promoter's has not pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not



Reg. No	Promoter's Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
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consist of such Equity Shares. **Hence Not Applicable.**

**b) Compliance with Lock-in Requirements:**

The entire pre-issue paid-up capital of the Company shall remain locked in as per requirements of Regulations 238 & 239 of the SEBI ICDR Regulations as detailed hereinafter:

- i. As required by clause (a) of Regulation 238, Minimum Promoters' Contribution i.e. [●] equity shares held by our promoters Mr. Ashok Kumar Bansal, Mr. Sudhir Kumar Bansal, Mr. Ayush Bansal, Mr. Abhinav Bansal, Mr. Anuj Bansal, M/S Ashok Kumar Bansal & Sons HUF, M/S Naresh Chand Bansal & Sons HUF, Sudhir Kumar Bansal & Sons HUF, Ayush Bansal & Sons HUF, Abhinav Bansal & Sons HUF And Anuj Bansal & Sons HUF which shall [●] % of proposed post-issue paid up capital shall be locked-in for a period of three years from the date of allotment in the initial public offer.
- ii. As required by clause (b) of Regulation 238, the excess of minimum promoters' contribution i.e. [●] equity shares held by our Promoters shall be locked-in for a period of one year from the date of allotment in present initial public offer; and
- iii. As required by Regulation 239, the entire pre-issue capital held by persons other than the promoters as per details provided hereinafter, shall be locked-in for a period of one year from the date of allotment in the present initial public offer.

Name of Promoter	Date of allotment/ acquisition of the Equity Shares	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/ Acquisition Price per Equity Share (Rs.)	Percentage of post. Offer paid-Up capital (%)	Lock in Period
Ayush Bansal	[●]	[●]	[●]	10	[●]	[●]	3 Years
Ashok Kumar Bansal	[●]	[●]	[●]	10	[●]	[●]	3Years
Sudhir Kumar Bansal	[●]	[●]	[●]	10	[●]	[●]	3Years
Abhinav Bansal	[●]	[●]	[●]	10	[●]	[●]	3Years
Anuj Bansal	[●]	[●]	[●]	10	[●]	[●]	3Years

**c) Lock-in of Equity Shares Allotted to Anchor Investors**

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investors Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares shall be locked-in for a period of 30 days from the date of Allotment.

The Equity Shares that are being locked in are not ineligible for computation of Promoters contribution interms 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.

We confirm that the minimum Promoters contribution of 20.00% which is subject to lock-in for 3 years does not consist of:

- a) Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- b) Equity Shares 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;
- c) Equity Shares acquired by Promoters during the preceding one year at a price lower than the Issue Price;
- d) The Equity Shares held by the Promoters and offered for minimum 20% Promoters Contribution are not subject to any pledge.
- e) Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters Contribution subject to lock-in.

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.

#### ***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 promoters and public pre-issue shareholding of Equity Share capital of our Company, *i.e.* [●] Equity Shares 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.

#### ***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 Promoter 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 Offer 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 following:

S. No	Date of allotment	No. of shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of allotment	Benefits accrued to our Company
1.	28.07.1994	15,00,000	10	Nil	Bonus Issue	Nil, except for expansion of capital base of our Company
2.	28.12.2023	86,08,500	10	Nil	Bonus Issue	Nil, except for expansion of capital base of our Company

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 detail of asset revalued since its incorporation.

Financial Year	Assets	Amount (In Lakhs)
1994 - 1995	Land	486.92
2014- 2015	Land	674.50



2014- 2015	Plant & Machinery	180.00
<b>TOTAL</b>		1341.42

17. Our Company has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves except following.

S. No	Date of allotment	No. of shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of allotment	Benefits accrued to our Company
1.	28.07.1994	15,00,000	10	Nil	Bonus Issue	Nil, except for expansion of capital base of our Company

18. 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.
19. There are no safety net arrangements for this public Offer.
20. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options, or rights to convert debentures, loans or other financial instruments into our Equity Shares.
21. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-Up capital is locked-in.
22. All the Equity Shares of our Company are fully paid up as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
23. As per RBI regulations, OCBs are not allowed to participate in this Issue.
24. As on the date of this Draft Red Herring 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 spillover from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and NSE
27. The Issue is being made through Book Building Method.



28. Lead Manager to the Issue viz. Fast Track Finsec Private Limited does not hold any Equity Shares of our Company as on date of Draft Red Herring Prospectus.
29. Registrar & Share Transfer Agent (RTA) of the Issue viz. Skyline Financial Services Pvt. Ltd. does not hold any Equity Share of Company as on date of Draft Red Herring Prospectus.
30. Our Company has not raised any bridge loan against the proceeds of this Issue.
31. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
32. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
33. An Applicant cannot make an application for more than the number of Equity Shares being Issued/Offered through this Draft Red Herring Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
34. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
35. Our Promoters and the members of our Promoter Group will not participate in this Issue.
36. Our Company has not had any public issue since its incorporation.
37. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
38. For the details of transactions by our Company with our Promoter Group, Group Companies during last three years ended on March 31, 2024, March 31, 2023, March 31, 2022 Please refer to “Annexure -VIII” –*Related Party Transaction* in the chapter titled “*Financial Information*” beginning on page no. 237 of this Draft Red Herring Prospectus.

None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” beginning on page number 209 of this Draft Red Herring Prospectus.

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## OBJECTS OF THE ISSUE

The offer comprises a fresh issue of Equity Shares aggregating up to 64,94,400 by our Company. Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the Emerge Platform of National Stock Exchange of India Limited.

### The objects of the Issue are: -

1. To meet Capital expenditure towards setting up a Power Plant
2. To meet out the Working Capital requirements of the Company;
3. To meet out the General Corporate Purposes; and
4. To meet out the Issue Expenses.

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

In addition, 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 and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, 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 of Association. We confirm that the activities which we have been carrying out till date are in accordance with the objects clause of our Memorandum of Association.

### Fund Requirements

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

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

S. No.	Particulars	Amount (In Rs. Lakh)
1.	Gross proceeds from the Issue <sup>\$</sup>	[•]
2.	Issue Expenses* <sup>#</sup>	[•]
	Net issue Proceeds	[•]
3.	Capital Expenditure towards setting up of Power Plant	5000.00
4.	Working Capital Requirement	500.00
5.	General Corporate Purposes <sup>#^</sup>	[•]
	<b>Total Utilisation</b>	[•]

<sup>\$</sup>Subject to full subscription of the Issue.

\*As on March 31, 2024, the Company has incurred a sum of Rs.18.30 Lakhs towards issue expenses.

<sup>#</sup>To be finalised upon determination of the Offer Price and updated in the Draft Red Herring Prospectus prior to filing with the RoC.

<sup>^</sup>The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceed.

*The fund requirement and deployment indicated above are based on management estimates, current circumstances of our business, valid quotations received from third parties, other commercial and technical factors, prevailing market conditions, which are subject to change. Further, the deployment of funds described herein has not been appraised by any bank or financial institution or any external agency or any other independent agency. However, our company has obtained Techno Economic Viability Study dated April 20, 2024, prepared by Dun & Bradstreet Information Services India Pvt. Ltd. (D&B), a recognized*



*independent Agency. We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. This may entail changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013. See “Risk Factors” on page 28.*

*Subject to applicable laws, in the event of any increase in the actual requirement of funds earmarked for the purposes set forth above, such additional fund requirement will be met by way of any means available to us, including from internal accruals and seeking additional debt from existing and/or future lenders.*

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

### Details of Utilization of Issue Proceeds

#### **1. Capital expenditure towards setting up a Power Plant**

In order to establish the Proposed power plant to reduce the production cost of the product and accommodate the future growth requirements. With the execution of the proposed project, the dependency on the grid power will be negligible for the company and has enough power to run its existing paper mill with the commissioning of the proposed project. Further, the Company has opportunity to decrease its carbon foot print and subsequent carbon emission. We propose to establish the Proposed Project at Industrial Estate, Panipat Road, Shamli Uttar Pradesh from the Net Proceeds. The total estimated cost to establish the Proposed Project is ₹5000.00 Lakh, as estimated by our management, which is established on the basis of a project report i.e. “Techno Economic Viability Study” dated April 20, 2024 (herein after “Project Report”), prepared by Dun & Bradstreet Information Services India Pvt. Ltd. (D&B), a recognized independent Agency. As part of our growth strategy our Company proposes to utilize Rs. 5000.00 Lakh of the Net Proceeds.

Indicative list of such equipment, plant and machinery that we intend to purchase, along with details of the quotations we have received in this respect is set forth below, which has been certified by M/s Mittal Goel & Associates, Chartered Accountants, pursuant to their certificate dated June 20, 2024

a) The detailed break-down of estimated cost of the proposed unit, is set forth below:

<b>S. No.</b>	<b>Particulars</b>	<b>Amount proposed to be funds (Rs. in lakhs)</b>
1	Building and Construction	315.00
2.	Plant and Machinery	4,500.00
3.	Miscellaneous and Contingencies	185.00
	<b>Total</b>	<b>5,000.00</b>

b) Details of equipment, plant and machinery for which orders have been placed: NIL

c) Details of equipment, plant and machinery for which orders are yet to be placed, which will be financed from Net Proceeds:



(Amount in Lakhs)

S. No.	Particulars	Basic Price	GST	Total	Delivery Period	Name of Vendor	Date of Quotation
1	Design, manufacture, and supply of 9.325 MW Extraction Condensing STG Set and auxiliaries.	950.00	171.00	1,121.00	12 Months	Mago Thermal Limited	16.05.2024
2	Waste to Energy boiler, Gross Steam Pressure 45 bar (g), Technology: Flexi Source	6032.00	1085.76	7,117.76	11.5 Months	Thermax Babcock & Wilcox Energy Solutions Limited	25.04.2024
	<b>Total</b>	<b>6,982.00</b>	<b>1256.76</b>	<b>8,238.76</b>			

Note:

1. These Questions are not negotiated yet, and as per the prevailing industry practice, vendors negotiate final price only at the time of placing the firm orders, and being capital goods, it carries huge discounts against the list price /quotations. This fact is also acknowledged by the Dun & Bradstreet Information Services India Pvt. Ltd (D&B) while finalizing their Project Report.
2. Additional packaging and forwarding charges, at the applicable rates provided in the quotations, have been included in the cost of equipment, plant and machinery.
3. Additional commissioning and installation costs, at applicable rates provided in the quotations, have been included in the cost of equipment, plant and machinery.
4. Our Company will bear the cost of any additional charge, as applicable, including taxes, if any, from our internal accruals.
5. Additional investment in the project, if any and/or any overrun, over and above the estimated budget i.e 5000 Lakhs shall be met by the internal accruals.

The Company also received the quotation dated 01.07.2024 for Civil Work from Prakhar Infratech of Rs. 315.00 Lakh excluding taxes, if any, subject to variation on actual execution of the work.

Our Company has budgeted ₹185 Lakhs as miscellaneous and contingency expenses. This cost is based on management estimates and includes cost towards Preoperative expenses, registration fee, internal electrifications, water requirements, storage tanks, material handling equipment, etc. which shall be procured based upon future requirements.

As on the date of this Draft Red Herring Prospectus, we have not placed any orders for any equipment of the total estimated cost for purchase of equipment, plant and machinery, civil work etc. We are yet to place orders for such machineries and equipment for an aggregate amount of ₹5000.00 Lakh. Accordingly, we are yet to place orders for 100% of the total estimated cost in relation to the purchase of plant, machinery and equipment.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds. Each of the units mentioned above is proposed to be acquired in a ready-to-use condition.

The net proceeds is proposed to utilized for electricity infra utility plant for captive use. The Company is proposed to setup an 9.0 MW Power Plant with 60 TPH, 45 KSC, 430/400o C-100% RDF/ 100% Biomass Fired Reciprocating Grate Steam Boiler on Turnkey Basis in Shamli, Uttar Pradesh. Water needs at the site is met through boring water.

All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring Prospectus. The quotation mentioned above exclude additional taxes, if any applicable. Such additional taxes shall be funded from internal accruals, if required. Further, certain quotations stipulate that actual purchase



price and delivery periods are subject to change at the time of placing of the orders. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. In accordance with the terms of certain quotations obtained by our Company, the prices in relation to the equipment, plant and machinery may be subject to revisions during the validity period of such quotations, pursuant to inter alia any update to the pricing list of the vendor, prices of the raw materials or policy changes. If there is any increase in the costs of equipment, plant and machinery, such additional costs shall be funded by our Company from its internal accruals. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management.

Our Promoter, Group Companies, Directors, Key Managerial Personnel and Senior Management do not have any interest in the proposed acquisition of equipment, plant and machinery, or in the entities from whom we have obtained quotations in relation to such activities.

The Management will utilize the proceeds to meet the cost of 9.0 MW WTE Plant, such as, civil work, plant machinery, equipment as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of Plant, machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.

## 2. Working Capital Requirements:

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth and loans. For further details, please refer to the chapter titled “Financial Indebtedness” on page number 281. The details of Company’s working capital as at March 31, 2024 and for the year ended March 31, 2024 and the source of funding, on the basis of Restated Financial Statements, as certified by our Statutory and Peer Review Auditor, M/s Mittal Goel & Associates., Chartered Accountants, vide their report dated June 26, 2024 are provided in the table below. Further, in light of the incremental business requirements and establishment of new proposed Service unit, our Company requires additional working capital for funding its working capital requirements in the Fiscal 2024 and Fiscal 2025. On the basis of our existing working capital requirements and the projected working capital requirements, the breakup of such working capital requirements year wise is given in the table below:

### Statement of Working Capital Requirements

(Amount in Lakhs)

	31.03.2022	31.03.2023	31.03.2024	31.03.2025
	(Audited)	(Audited)	(Audited)	(Projected)
<b><i>Current Assets</i></b>				
Inventories	4,127.16	4,191.65	4,190.98	4,560.00
Trade Receivables	8,639.15	9,316.04	12,421.25	12,557.00
Cash and Cash Equivalents	490.07	501.48	814.98	921.66
Short-term Loans and Advances	230.90	759.71	1,416.82	1,536.25
Other Current Assets	469.62	930.41	1,431.41	1,696.40
<b>Total (A)</b>	<b>13,956.90</b>	<b>15,699.29</b>	<b>20,275.44</b>	<b>21,271.31</b>
<b><i>Current Liabilities</i></b>				
Short-Term Borrowings	4,722.83	9,450.94	14,115.15	14,000.00
Trade Payables	4,671.30	2,294.52	1,571.50	1,665.00
Short-Term Provisions	6.20	8.38	272.82	177.10
Other Current Liabilities	930.21	649.02	641.76	560.46
<b>Total (B)</b>	<b>10,330.54</b>	<b>12,402.86</b>	<b>16,601.23</b>	<b>16,402.56</b>



<b>Net Working Capital (A)-(B)</b>	<b>3,626.36</b>	<b>3,296.43</b>	<b>3,674.21</b>	<b>4,868.75</b>
<b>Incremental Working Capital</b>				<b>1,194.54</b>
<b>Sources of Working Capital</b>				
Working Capital Funding through IPO				500.00
Internal Sources/Share Capital/ Borrowings				694.54

**Assumptions for working capital projections made by our company:**

We produce Kraft paper, in a variety of shades, bursting factors, and grammage ranges to cater to different market needs. We Specialized and operate in manufacturing multiplayer Kraft paper with 18-28 burst factor, to grow the business on a larger platform, we need to focus on this evolving landscape and build on it to improve our supply chain with offerings the products across a broader spectrum. Further, in order to support its incremental business requirements, funding growth opportunities and for other strategic, business, and corporate purposes requires additional working capital and such funding is expected to lead to a consequent increase in our revenues and profitability. This includes offering flexibility in credit periods to stimulate increased sales volume and foster stronger customer relationships and settle our payables we aim to negotiate more favorable terms and conditions with our suppliers.

**Basis of Estimation**

(in days)

<b>Particulars</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
No. of Days for Trade Receivables	88	85	134	124
No. of Days for Inventory Days	42	38	45	45
No. of Days for Trade Payables	53	23	20	19

**Justification:**

Trade Receivables Days	<p>Trade Receivables days stood at 88, 85 and 134 in the financial years 2021-22, 2022-23 and 2023-24 respectively.</p> <p>Going forward our Company intends to provide/ sustain competitive credit facility to our customers/debtors. And general credit terms vary according to the type of customers/debtors. On the basis of our projected financials, we have estimated customers/debtors’ levels at 124 days for financial years 2024-25, which in with consonance with the increased estimated levels of operations, existing payment terms, and industry trends is justified.</p> <p>Trade receivables days calculated as closing trade receivables divided by revenue with customers over 365 days.</p>
Inventory Days	<p>Inventory levels are maintained by our Company depending upon the demand, production, and delivery schedules. Inventory management plays an important role in sector in which company is engaged and which is expected to grow in line with the growth in business, therefore, we intend to focus on rationalizing our inventory management.</p> <p>And based on industry trends, we have estimated/projected Inventories turnover days to be around 45 days for financial year 2024-25, as</p>

	compared 42 days, 38 days and 45 days for financial year 2021-22, 2022-23 and 2023-24 respectively.
Short-Term Loans and Advances	Short Term Loans and advances includes, advances to suppliers and advance to employees. We expect Short Term Loans and Advances to increase commensurate with the business volumes, to ensure uninterrupted availability of resources and cost effectiveness.
Other Current Assets	Other current assets, includes GST (ITC Balance), Income Tax Refund Receivables, Prepaid Expenses, shall benefit of increased volume of business.
Trade Payables Days	<p>Trade Payables days stood at 53, 23 and 20 of total expenses excluding employee benefit expenses, depreciation &amp; amortization, finance costs and tax expense incurred in financial year 2021-22, 2022-23 and 2023-24 respectively.</p> <p>Though, with the rationalization of the operations, and to get benefitted by offering faster payments, our Company intends to reduce the period of days involved in trade payable. Our company shall try to make early payments to negotiate better terms and finer pricing with increased liquidity, accordingly in estimated financials, Trade Payables days are estimated 19 for financial year 2024-25.</p> <p>Trade payable days calculated as trade payables divided by total expenses (excluding employee benefits expense, depreciation and amortization, finance cost and tax expense) over 365 days</p>
Other Current Liabilities	<p>Our Company's other Current Liabilities consists of Statutory dues and other payables, Employee Related Liabilities and advances from Customers. During the Financial Year 2021-22, 2022-23 and Financial Year 2023-24, our Company's other current liabilities as percentage of total current liabilities were 9.00%, 5.23% and 3.87% respectively.</p> <p>Our Company has assumed other current liabilities to the total current liabilities of 3.44% for the Financial Year 2024-25, which is reasonable and in consonance with the volume of operations proposed to be carried by us.</p>

Pursuant to the certificate dated June 20, 2024 M/s. Mittal Goel & Associates, Chartered Accountants, have verified the working capital requirements for the year ended March 31, 2024, 2023, 2022 and 2021 from the Restated Financial Statements and working capital estimates for the financial year 2024 and 2025 as approved by the Board pursuant to its resolution dated April 09, 2024.

### 3. General Corporate Purpose

Our Company intends to deploy the balance Net Proceeds aggregating Rs. [•] 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.

#### 4. Issue Related Expenses

The 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 Rs [•]

(Rs. In Lakh)

S. No.	Particulars	Amount (Rs. in Lakhs)	% of Total Expenses	% of Total Expenses
1	Lead manager(s) fees including underwriting commission.	[•]	[•]	[•]
2	Brokerage, selling commission and upload fees.	[•]	[•]	[•]
3	Registrars to the issue	[•]	[•]	[•]
4	Legal Advisors	[•]	[•]	[•]
5	Printing, advertising and marketing expenses	[•]	[•]	[•]
6	Regulators including stock exchanges	[•]	[•]	[•]
7	Others, if any (Advisors to the company, Peer Review Auditors, and other misc. expenses like printing & stationery etc.)	[•]	[•]	[•]
<b>Total</b>		[•]	[•]	[•]

#### MEANS OF FINANCE

The requirements of the proposed objects are intended to be funded from the proceeds of the Issue and internal accruals. 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.

(Rs. in Lakh)

Particulars	Estimated Amount
IPO Proceed	[•]

#### APPRAISAL BY APPRAISING AGENCY

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency, including any bank or finance institution.

#### SCHEDULE OF IMPLEMENTATION

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

(Amount in Lakhs)



S. No.	Particulars	Amount to be funded from Net Proceeds	Expenses incurred till March 31, 2024	Estimated Utilization of Net Proceeds (F.Y. 2024-25)
1	Capital Expenditure for setting up a Power Plant	5,000.00	0	5000.00
2	Working Capital Requirement	500.00	0	500.00
3	General Corporate Purposes	[.]	0	[.]
4	Issue Expenses	[.]	18.30	[.]
<b>Total</b>		[.]	18.30	[.]

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.

In the event the Net Proceeds are not completely utilised for the Objects during the respective periods mentioned in “-Schedule of implementation” above, due to factors such as (i) economic and business conditions; (ii) delay in procuring and operationalizing assets or necessary licenses and approvals; (iii) timely completion of the Offer; (iv) market conditions outside the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Further, capital expenditure towards the stated Objects may also be accelerated, due to early completion of various activities mentioned in this section.

#### DEPLOYMENT OF FUNDS

The Company has received the Sources and Deployment Funds Certificate dated June 20, 2024 from M/s Mittal Goel & Associates, Chartered Accountants. The certificate states that the Company has deployed amounts aggregating Rs. 18.30 Lakhs as on March 31, 2024, for the Issue Expenses. The Source of the expenses made by the Company through the Internal Accruals.

#### INTERIM USE OF FUNDS

Pending utilization for the purposes described above, our Company intends to invest the funds in 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. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

#### BRIDGE FINANCING FACILITIES

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Hearing 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 Rs. 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 Draft Red Herring 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 authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the Postal Ballot Notice) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in 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 Net Proceeds will be utilized by our Company as consideration to our Promoter, members of the Promoter Group, Directors, Group Companies, Key Management Personnel or Senior Management. Our Company has not entered into nor is planning to enter into any arrangement/agreements with Promoter, member of the Promoter Group, Directors, Group Companies, Key Management Personnel or Senior Management in relation to the utilization of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects as disclosed in the sections titled Our Promoters, Our Promoters Group and Our Management as mentioned on page nos. 224, 229 and 209 of this Draft Red Herring Prospectus.

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## BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 28, 176 and 237 respectively of the Draft Red Herring 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.

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

For the purpose of making an informed investment decision, the investors should also refer “**Risk Factors**”, “**Our Business**” and “**Financial Statement as restated**” beginning on page 28, 176 and 237 respectively of this Draft Red Herring Prospectus.

### QUALITATIVE FACTORS

We believe the following business strengths allow us to successfully compete in the industry:

- (a) Experienced Promoters and Senior Management with extensive domain knowledge
- (b) Quality assurance and control
- (c) Expansion into Fluting Media Multi-liner Kraft Paper
- (d) Market Potential
- (e) Investment in latest technology and maintain our edge in the market.

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 176 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 237 of this Draft Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

#### 1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10/- each):

As per the Restated Financial Statements: -

S. No	Period	Basic & Diluted (In Rs.)	Weights	Product
1.	Financial Year 2021-2022	7.05	1	7.05
2.	Financial Year 2022-2023	5.28	2	10.56
3.	Financial Year 2023-2024	9.81	3	29.43
	<b>Weighted Average</b>		<b>7.84</b>	

#### Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹10.00/-.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “**Earnings per Share**” issued by the Institute of Chartered Accountants of India.

- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year / period.
- vi. Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders/ Weighted average number of diluted potential equity shares outstanding during the year/ period.

**2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/-each fully paid up**

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for Financial Year 2023-24	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

**3. Industry P/E ratio**

Particulars	P/E ratio
Highest	80.0
Lowest	5.6
Industry Average	12.9

\*Source: Industry Peer Group P/E Ratio- Paper- Capital Market Vol No. XXXIX/9/39SPLSPL9 June 10 – June 23, 2024

**4. Average Return on Return on Net worth (RoNW)\***

S. No	Period	RoNW (%)	Weights
1.	Financial Year 2021-2022	15.08	1
2.	Financial Year 2022-2023	15.79	2
3.	Financial Year 2023-2024	21.46	3
	<b>Weighted Average</b>		18.50

**Note:**

- i. The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/ period
- ii. 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
- iii. Net worth is aggregate value of the paid-up share capital of the Company and reserves and surplus, excluding revaluation reserves and attributable to equity holders.

**5. Net Asset Value (NAV) per Equity Share as per restated financials after impact of bonus shares (In Rs.)**

S. No.	NAV per Equity Share	Outstanding at the end of the year
1.	As at March 31, 2022	28.17
2.	As at March 31, 2023	33.45
3.	As at March 31, 2024	42.57
5.	NAV per Equity Share after the Issue	[●]
6.	Issue Price	[●]

**Notes:**

1. NAV per share = Restated Net worth at the end of the year / weighted average number of equity shares



- outstanding at the end of the year/ period.
2. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares.
  3. Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

## 6. Comparison of Accounting Ratios with Industry Peers:

S.No.	Name of the company	Face Value (Per Share)	CMP	EPS	P/E Ratio	RONW (%)	NAV (Rs. Per share)	PAT (Rs. in Lakh)
1.	Nikita Papers Limited	10.00	[•]	9.81	[•]	21.46%	42.57	1659.53
<b>Peer Group*</b>								
2.	Magnum Ventures Limited	10.00	52.37	2.74	13.08	26%	115.64	1343.00
3.	Tamilnadu Newsprint and Papers Limited	10.00	287.10	4.77	9.48	10%	301.94	3299.00
4.	Ruchira Papers Limited	10.00	143.45	3.23	8.68	12%	138.81	964.00
5.	Pakka Limited	10.00	256.15	2.19	19.28	20%	67.58	859.33

\*Source: All the information for listed industry peers mentioned above are on a standalone basis and is sourced from their respective audited/unaudited financial results and/or annual report

### Notes:

- Considering the nature and turnover of business of the Company the peer is not strictly comparable. However, the same have been included for broader comparison.
- The figures for Nikita Papers Limited are based on the restated results for the year ended March 31, 2024.
- The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2024.
- Current Market Price (CMP) is the closing price of respective scrip as on July 03, 2024

## 7. Key Performance Indicator

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 15, 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 DRHP. Further, the KPIs herein have been certified by our Statutory Auditors namely Mittal Goel & Associates, Chartered Accountants, vide their certificate dated June 20, 2024.

The KPIs of our Company have been disclosed in the sections titled **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators”** on pages 176 and 288 respectively. We have described and defined the KPIs, as applicable, in **“Definitions and Abbreviations”** on page 01.



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 or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

**a) Key Performance Indicators of our Company**

(Rs. In Lakhs except EPS, percentages and ratios)

Key Financial Performance	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	33860.08	39,833.21	35,641.08
Revenue CAGR (%) from F.Y. 2022-2024 <sup>(2)</sup>	-2.53 %		
EBITDA <sup>(3)</sup>	4840.04	3055.80	2962.20
EBITDA Margin <sup>(4)</sup>	14.29%	7.67 %	8.31%
EBITDA CAGR (%) from F.Y. 2021-2023 <sup>(5)</sup>	27.83 %		
EBIT <sup>(6)</sup>	3817.82	2064.13	1889.87
Current Ratio <sup>(7)</sup>	1.22	1.27	1.35
Operating Cash Flow <sup>(8)</sup>	(1257.25)	(1301.99)	2771.09
PAT <sup>(9)</sup>	1659.53	864.52	695.21
PAT Margin <sup>(10)</sup>	4.79%	2.15 %	1.94 %
Net Worth <sup>(11)</sup>	7737.25	5474.18	4609.66
RoE(%) <sup>(12)</sup>	21.45%	15.79%	15.08%
RoCE (%) <sup>(13)</sup>	28.71%	15.55 %	14.32%
EPS <sup>(14)</sup>	9.81	10.04	13.39
EPS (Adjusted) <sup>(15)</sup>	9.81	5.28	7.05

**Notes:**

<sup>(1)</sup> Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

<sup>(2)</sup> Revenue CAGR: The three-year compound annual growth rate in Revenue.  $[(\text{Ending value}/\text{Beginning value})^{1/N}]-1$

<sup>(3)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses-Other Income

<sup>(4)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(5)</sup> EBIDTA CAGR: The three-year compound annual growth rate in EBIDTA.  $[(\text{Ending value}/\text{Beginning value})^{1/N}]-1$

<sup>(6)</sup> EBIT Earning before finance cost and taxes.

<sup>(7)</sup> Current Ratio: Current assets over current liabilities

<sup>(8)</sup> Operating Cash Flow: Net Cash inflows from Operating Activities.

<sup>(9)</sup> PAT is mentioned as profit after tax for the period.

<sup>(10)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by total revenue.

<sup>(11)</sup> Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

<sup>(12)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(13)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

<sup>(14)</sup> EPS: Earning per share is calculated as PAT divided by weighted No. of equity shares.

<sup>(15)</sup> EPS(Adjusted): Earning per share is calculated as PAT divided by weighted No. of equity shares, after considering the Impact of bonus issue, pursuant to Accounting Standard 20 "Earnings Per Share" issued by ICAI and for presenting comparable figures.

#### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
Revenue CAGR	Revenue CAGR informs the management of compounded annual growth rate i.e. Rate at which Company's revenue are growing on annual basis,
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin(%)	EBITDA Margin(%) is an indicator of the operational profitability and financial performance of our business
EBITDACAGR	EBITDA CAGR indicate our compounded growth of the business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin(%)	PAT Margin(%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth issued by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE(%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.
Current Ratio	Current ratio indicates the company's ability to bear its short term obligations,
Operating Cash Flow	Operating cash flow shows whether the company is able to generate cash from day to day business,
EPS	Earning per shares is the company's earnings available of one share of the Company for the period.

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**b) Comparison of KPI with listed industry peers**

Key Financial Performance	Nikita Papers Limited			Magnum Ventures Limited			Tamilnadu Newsprint and Papers Limited			Ruchira Papers Limited			Pakka Limited		
	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
Revenue from Operation <sup>(1)</sup>	33,860.08	39,833.21	35,641.08	46,083.58	46,001.44	32,830.11	4,64,336.00	5,17,989.12	4,02,029.17	65,759.80	80270.11	61286.25	40,474.29	40,830.32	29,108.63
Growth in Revenue from Operation <sup>(2)</sup>	-15.00%	11.76%	201.91%	0.18%	40.12%	85.90%	-10.36%	28.84%	45.23%	-18.08%	30.98%	47.53%	-0.87%	40.27%	58.50%
EBITDA <sup>(3)</sup>	4,840.04	3,055.80	2,962.20	6,004.76	9,010.13	2,216.32	83,875.00	1,04,802.12	40,712.97	8,439.83	11094.74	6508.55	9,556.32	9,616.87	7,327.12
EBITDA Margin <sup>(4)</sup>	14.29%	7.67%	8.31%	13.03%	19.59%	6.75%	18.06%	20.23%	10.13%	12.83%	13.82%	10.62%	23.61%	23.55%	25.17%
PAT <sup>(5)</sup>	1,659.53	864.53	695.21	2,470.26	7,086.10	514.76	20,816.00	38,787	1,433.19	4,919.49	6762.7	3309.37	4,866.93	5,146.24	3,820.02
PAT Margin <sup>(5)</sup>	4.90%	2.17%	1.95%	5.36%	15.40%	1.57%	4.48%	7.49%	0.36%	7.48%	8.42%	5.40%	12.02%	12.60%	13.12%
Net Worth <sup>(6)</sup>	7,737.25	5,474.18	4,609.66	68,094.75	58,393.92	-5,117.24	2,08,972.00	1,94,410.63	1,58,913.86	41,427.86	38047.65	30959.04	26,468.79	21,348.29	16,479.65



\*\*All the information for listed industry peers mentioned above are on a standalone basis and is sourced from their respective audited/unaudited financial results and/or annual report

Notes:

- (1) Total Income includes Revenue from Operations and Other Income as appearing in the Restated Financial Statement/ Annual Reports of the respected companies.
- (2) Growth in Total (%) is calculated as Total Income of the relevant period minus Total Income of the preceding period, divided by Total Income of the preceding period.
- (3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost.
- (4) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- (5) PAT is the profit for the period from continuing operations.
- (6) PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.
- (7) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account.

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## 8. Weighted average cost of acquisition (“WACA”), floor price and cap price:

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

The Company has issued the following shares (excluding shares issued under ESOP / ESOS / Bonus shares) during the 18 months preceding the date of this DRHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Allotment	No. of equity shares allotted	Face Value	Issue Price (including premium)	Nature of Consideration	Nature of Allotment	Total Consideration (In Rs.)
11/12/2023	951500	10	63.43	Cash	Preferential Issue	6,03,53,645
Weighted Average Cost of Acquisition						63.43

- b) The price per share of our Company based on the secondary sale / acquisition of shares (equity shares)

There has been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- c) Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	63.43	[●]	[●]
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	Nil	-	-

\* To be updated at Red Herring Prospectus stage.

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Hindi Edition of Regional newspaper [●] where the registered office of the company is situated each with wide circulation.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above- mentioned information along with “*Our Business*”, “*Risk Factors*” and “*Restated Financial Statements*” on pages 176, 28 and 237 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “*Risk Factors*” or any other factors that may arise in the future and you may lose all or part of your investments.



## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,  
The Board of Directors  
Nikita Papers Limited,  
A-10, 1<sup>st</sup> Floor, Deepali Chowk,  
Saraswati Vihar, Pritampura,  
Delhi

Dear Sir,

**Sub: Statement of possible Special tax benefit ('the Statement') available to NIKITA PAPERS LIMITED and its shareholders prepared in accordance with the requirements under Schedule VI- Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

We hereby confirm with the enclosed annexure that states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act') as amended time to time, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, the Customs Act, 1962 and the Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2023, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India for inclusion in the Draft Prospectus ("DP") / Prospectus for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

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 the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated 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 hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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



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

- the Company or its Shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits, where applicable have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DP for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

### **Limitations**

*Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.*

The enclosed Annexure is intended solely for your information and for inclusion in the Draft Prospectus / Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**Signed in terms of our separate report of even date.**

**For Mittal Goel & Associates,**

Chartered Accountants,

Sd/-

**CA Sandeep Kumar Goel**

Partner

Membership No: 099212

Place: Chandigarh

Date: 20/06/2023

UDIN: 24099212BRCZLNZ6254



## **Annexure to the statement of possible Tax Benefits**

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 presently forced 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 different interpretation on the benefits, which an investor can avail.

### **1. Special Tax Benefits available to the Company under the Act:**

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

### **2. Special Tax Benefits available to the shareholders of the Company**

The Shareholders of the company are not entitled to any Special tax benefits under the Act.

#### **Notes:**

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.

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.

**Signed in terms of our separate report of even date.**

**For Mittal Goel & Associates,**

Chartered Accountants

**Sd/-**

**CA Sandeep Kumar Goel**

Partner

Membership No: 099212

Place: Chandigarh

Date: 20/06/2024

UDIN: 24099212BRCZLNZ6254



## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section is from an industry report titled “Industry Report: Indian Packaging and Kraft Paper Packaging” dated March 22, 2024 (the “D&B Report”), prepared and released by Dun & Bradstreet Information Services India Private Limited (“D&B”). The D&B Report will be made available on the website of our Company at <https://nikitapapers.com/investors/> from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. We officially engaged D&B in connection with the preparation of the D&B Report on February 28, 2024, and exclusively paid and commissioned the D&B Report for the purpose of confirming our understanding of the industry we operate in, in connection with the Offer. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. See “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” and “Risk Factors – Internal Risk Factors – This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Dun & Bradstreet Information Services India Private Limited, which we have commissioned and paid for, for the purpose of confirming our understanding of the industry we operate in, exclusively in connection with the Offer” on page 16 and 28, respectively.*

#### **GLOBAL MACROECONOMIC SCENARIO**

The global economy, estimated at 3.1% in 2023, is expected to show resilience at 3.1% in 2024 before rising modestly to 3.2% in 2025. Between 2021 – 2022, global banks were carrying a historically high debt burden after COVID-19. Central banks took tight monetary measures to control inflation and spike in commodity prices. Russia's war with Ukraine further affected the global supply chains and inflated the prices of energy and other food items. These factors coupled with war-related economic sanctions impacted the economic activities in Europe. Any further escalation in the war may further affect the rebound of the economy in Europe.

While China was facing a crisis in the real estate sector and prices of properties were declining between 2020 - 2023, with the reopening of the economy, consumer demand is picking up again. The Chinese authorities have taken a variety of measures, including additional monetary easing, tax relief for corporates, and new vaccination targets for the elderly. The government has also taken steps to help the real estate sector including cracking down on debt-ridden developers, announcing stimulus for the sector and measures to encourage the completion and delivery of unfinished real estate projects. The sector is now witnessing investments from developers and demand from buyers.

Global headline inflation is set to fall from an estimated 6.8% in CY 2023 to 5.8% in CY 2024 and to 4.4% in CY 2025. This fall is swifter than anticipated across various areas, amid the resolution of supply-related problems and tight monetary policies. Reduced inflation mirrors the diminishing impact of price shocks, particularly in energy, and their subsequent influence on core inflation. This decrease also stems from a relaxation in labour market pressure, characterized by fewer job openings, a slight uptick in unemployment, and increased labour availability, occasionally due to a significant influx of immigrants.

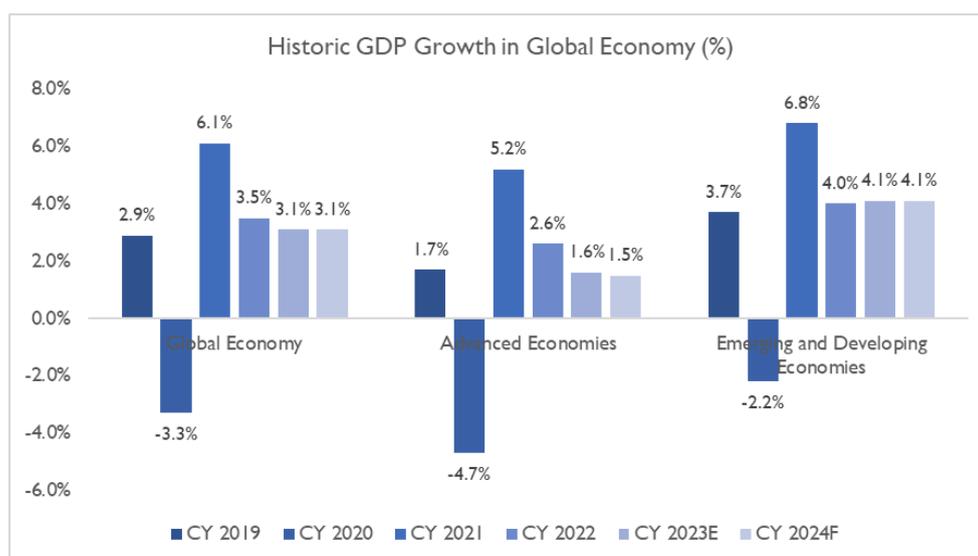
#### **Global GDP Growth Scenario**

The global economy started to rise from its lowest levels after countries started to lift the lockdown in 2020 and 2021. The pandemic lockdown was a key factor as it affected economic activities resulting in a recession in the year CY 2020, as the GDP growth touched -3.3%.

In CY 2021 disruption in the supply chain affected most of the advanced economies as well as low-income developing economies. The rapid spread of Delta and the threat of new variants in mid of CY 2021 further increased uncertainty in the global economic environment.

Global economic activities experienced a sharper-than-expected slowdown in CY 2022. One of the highest inflations in decades, seen in 2022, forced most of the central banks to tighten their fiscal policies. Russia’s invasion of Ukraine affected the global food supply resulting in a further increment in the cost of living.

Further, despite initial resilience earlier in 2023, marked by a rebound in reopening and progress in curbing inflation from the previous year's highs, the situation remained precarious. Economic activity lagged behind its pre-pandemic trajectory, particularly in emerging markets and developing economies, leading to widening disparities among regions. Numerous factors are impeding the recovery, including the lasting impacts of the pandemic and geopolitical tensions, as well as cyclically-driven factors such as tightening monetary policies to combat inflation, the reduction of fiscal support amidst high debt levels, and the occurrence of extreme weather events. As a result, global growth declined from 3.5% in CY 2022 to 3.1% in CY 2023.

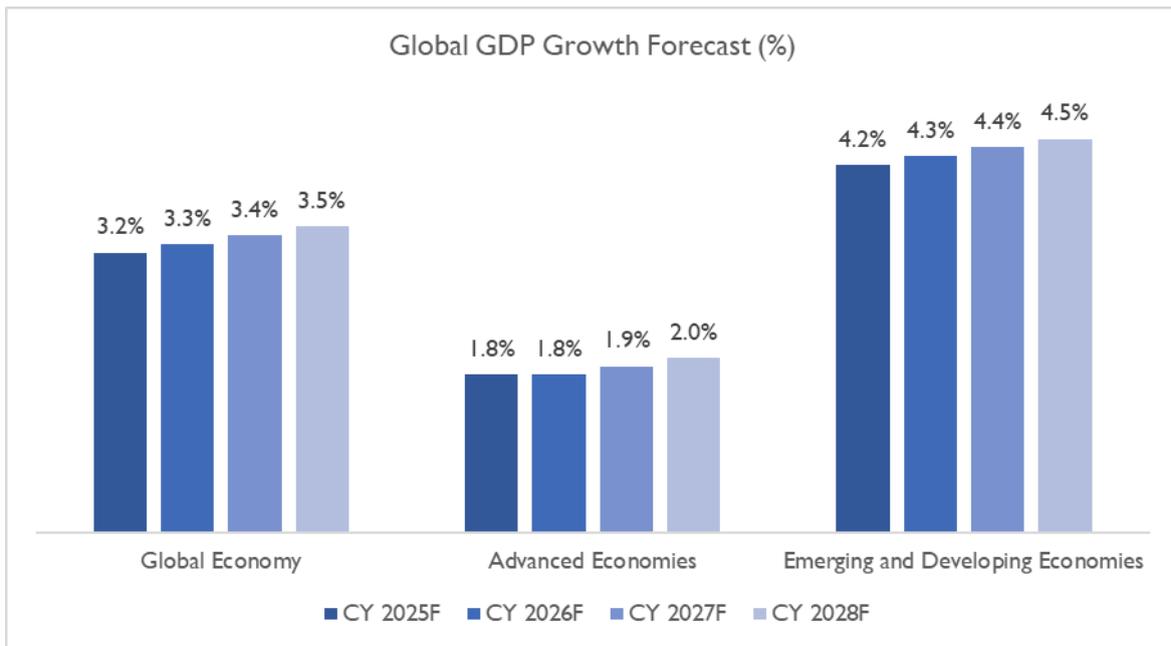


Source – IMF Global GDP Forecast Release 2024

*Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)*

In the current scenario, global GDP growth is estimated to have recorded a moderate growth of 3.1% in CY 2023 as compared to 3.5% growth in CY 2022. While high inflation and rising borrowing costs are affecting private consumption, on the other hand, fiscal consolidation is affecting government consumption.

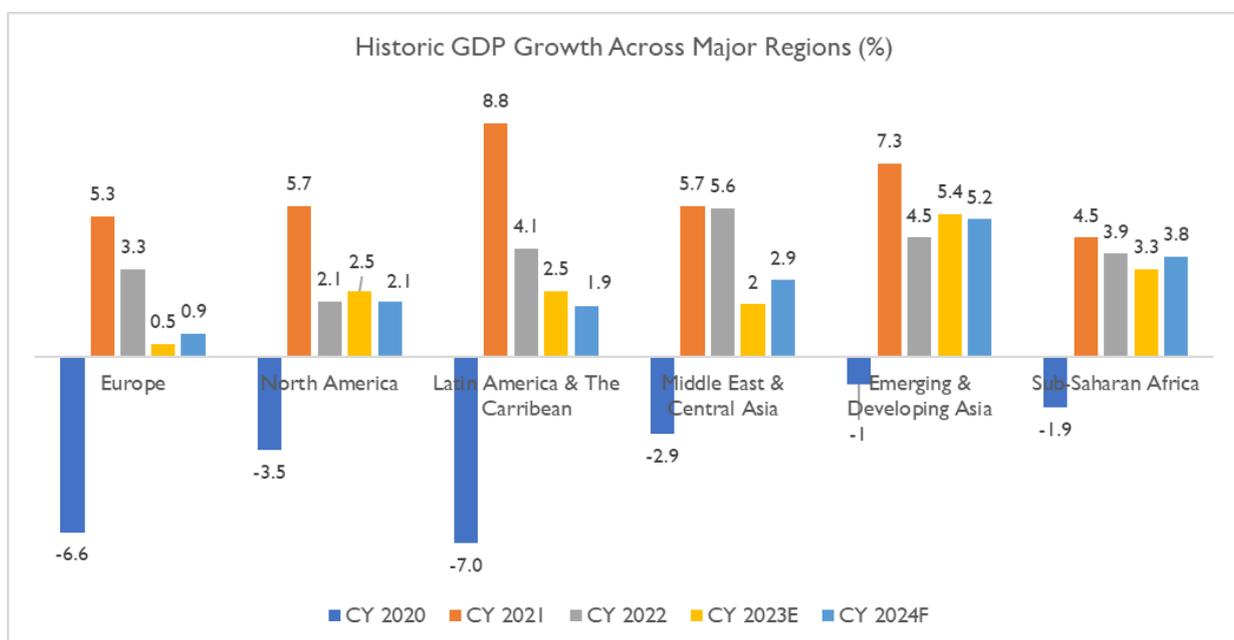
Slowed growth in developed economies will affect the GDP growth in CY 2024 and global GDP is expected to record a flat growth of 3.1% in CY 2024. The crisis in the housing sector, bank lending, and industrial sectors are affecting the growth of global GDP. Inflation forced central banks to adopt tight monetary policies. After touching the peak in 2022, inflationary pressures slowly eased out in 2023. This environment weighs in for interest rate cuts by many monetary authorities.



Source – IMF Global GDP Forecast Release 2024, D&B Estimates

### GDP Growth Across Major Regions

GDP growth of major regions including Europe, Latin America & The Caribbean, Middle East & Central Asia, and Sub-Saharan Africa, were showing signs of slow growth and recession between 2020 – 2023, but leaving Latin America & The Caribbean, 2024 is expected to show resilience and growth. Meanwhile, GDP growth in Emerging and Developing Asia (India, China, Indonesia, Malaysia etc.) is expected to decrease from 5.4% in CY 2023 to 5.2% in CY 2024, while in the United States, it is expected to decrease from 2.5% in CY 2023 to 2.1% in CY 2024.

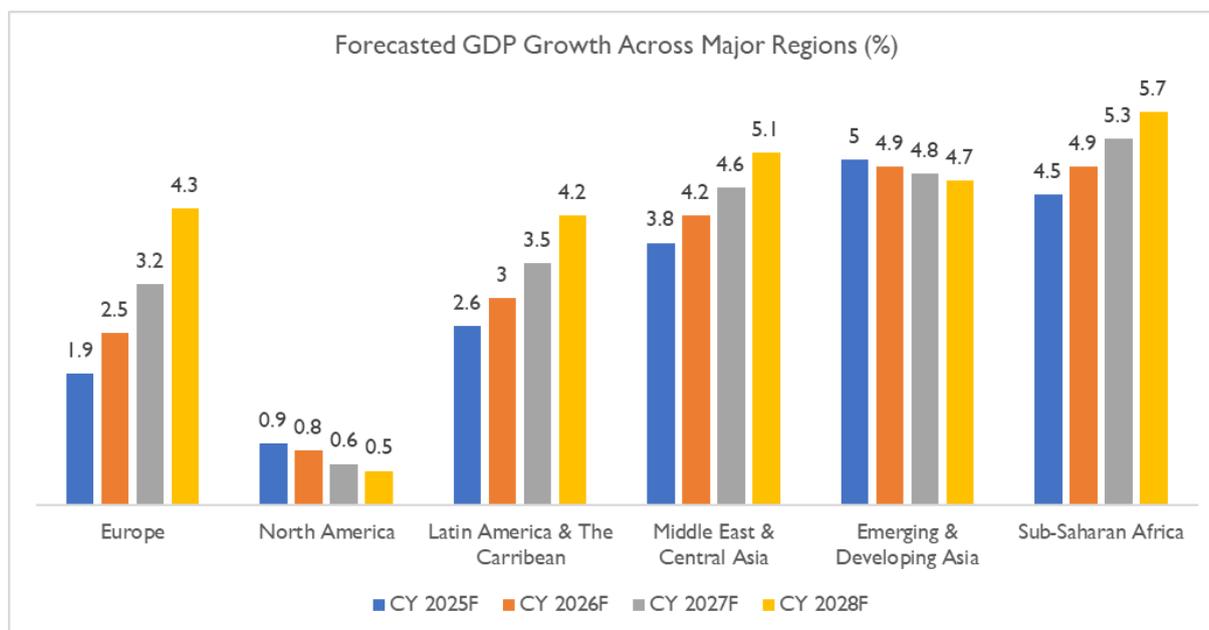


Source-IMF World Economic Outlook January 2024 update

Except for Emerging and Developing Asia, Latin America & The Caribbean and the United States, all other regions are expected to record an increase in GDP growth rate in CY 2024 as compared to CY 2023. GDP growth in Latin America & The Caribbean is expected to decline due to negative growth in Argentina. Further, growth in the United States is expected to come down at 2.1% in CY 2024 due to

lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing aggregate demand.

Although Europe experienced a less robust performance in 2023, the recovery in 2024 is expected to be driven by increased household consumption as the impact of energy price shocks diminishes and inflation decreases, thereby bolstering real income growth. Meanwhile, India and China saw greater-than-anticipated growth in 2023 due to heightened government spending and robust domestic demand, respectively. Sub-Saharan Africa's expected growth in 2024 is attributed to the diminishing negative impacts of previous weather shocks and gradual improvements in supply issues.



Source-IMF, OECD, and World Bank, D&B Estimates

### ***Global Economic Outlook***

We are more optimistic about the global economy’s prospects than we were at the onset of last year – and for good reason. The global economy avoided a widely anticipated recession in 2023 and will likely not see one in 2024. Looking at the current inflation trajectory, no one is guessing how much higher interest rates will go from here, which is a good outcome for both businesses and policymakers. Instead, financial markets are now betting on the timing and magnitude of rate cuts – and this is where we recommend caution for businesses. There are a few things to consider; first, rate cuts will likely follow an evident deterioration in economic conditions, i.e., after the economic damage is visible in data, which usually comes with a lag. By that logic, rate cuts by themselves may not be a positive outcome but only a means to offer relief from economic pain. Second, for most central banks that have been grappling with high inflation, higher expectations of rate cuts from financial markets will make them harder and riskier to deliver. Loosening too soon risks reversing the inflation trajectory and if key central banks get their inflation projections wrong for a second time, it will only spell more trouble.

The violence that began in the Middle East on October 7 continues to escalate. Apart from Israel and the Palestinian territories, Yemen, Syria, Iraq, Jordan, Iran, and Pakistan have all become embroiled in some form of violence over the past four months, including cross-border fire. This can be largely attributed to the heavy presence of militias and terrorist groups in these countries. Consequently, security threat levels are elevated across the region and business operations are difficult. The most obvious impact on commercial activity has been on shipments passing through the Red Sea, which have been forced to re-route under attacks from Houthi rebel groups, elevating shipping costs and stretching delivery timelines. It has also added to volatility in the global energy markets. More importantly, the escalating conflict has reversed the gains made on global supply-side normalization and remains the biggest risk to hard-earned global disinflation – the two big economic accomplishments of 2023. Dun & Bradstreet’s Global Supply Chain Continuity Index captured this dynamic as it fell 6.3% for Q1 2024, with suppliers’ delivery time and delivery cost indices both

deteriorating. In this context, for the global economy, a lot is riding on the ceasefire discussions that are currently underway between Israel and Hamas.

February marked the second anniversary of the start of the Russia-Ukraine conflict, which, at present, seems to be at a stalemate. From a business impact standpoint, events outside the zone of action, particularly in the EU, have gained more prominence than the conflict itself. These impacts range from immediate concerns about manufacturing performance, the cost of living, and energy security in the largest European economies, and go on to cover longer-term themes such as the bloc’s first serious attempt at expansion in years, which includes Ukraine’s bid for membership.

Geopolitical rumblings are also on the rise in the Asia-Pacific region, with North Korea issuing fresh threats, in words and in actions. Incessant saber-rattling may not necessarily lead to a conflict, but such posturing is unhelpful for the business and investment climates. In summary, geopolitics remains the biggest risk to the global economy today, dampening investments, disrupting supplies, and weakening the fight against inflation. There is one silver lining in all of this. High geopolitical temperatures around the world seem to have raised the stakes of stability for the U.S. and Mainland China. This was evidenced in their willingness to diffuse the Middle East, in keeping North Korea in check, and in Beijing’s relatively muted reaction to a Democratic Progressive Party (DPP) victory in Taiwan Region’s January 2024 polls. Mainland China may be keen to hold on to this new equilibrium until its economy fully stabilizes. As for the U.S., the outcome of the nomination races and the presidential election in November 2024 will be the key determinant of its foreign policy direction.

## INDIA MACROECONOMIC ANALYSIS

### *GDP Growth Scenario*

India’s economy is showing signs of resilience with GDP growing to estimated 7.3% in FY 2024. Although this translates into only a slight uptick in demand (compared to FY 2023- 7.2%), the GDP growth in FY 2023 represents a return to pre pandemic era growth path. Despite this moderation in growth, India continues to remain one of the fastest growing economies in the world.

Country	Real GDP Growth (2023)
India	6.3%
United Kingdom	0.5%
Italy	0.7%
Canada	1.3%
China	5.0%
Brazil	3.1%
France	1.3%
United States	2.1%
South Africa	0.9%
Germany	-0.5%
Japan	2.0%
Russia	2.2%

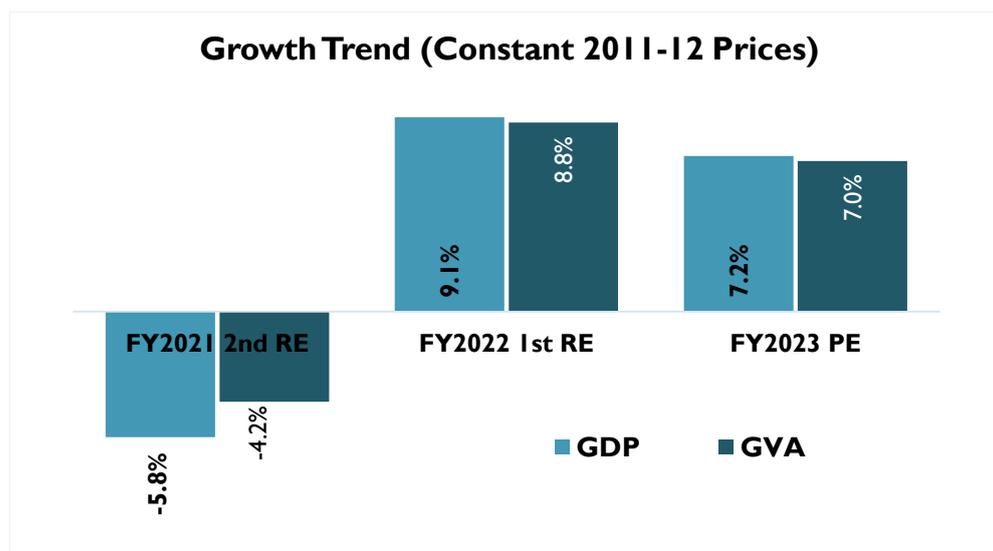
*Source: IMF Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South) Countries have been arranged in descending order of GDP growth*

There are quite a few factors aiding India’s economic recovery – notably its resilience to external shocks (Russia – Ukraine conflict) and rebound in private consumption. This rebound in private consumption is bringing back the focus on improvements in domestic demand, which together with revival in export demand is a precursor to higher industrial activity. Already the capacity utilization rates in Indian manufacturing sector are recovering as industries have stepped up their production volumes. As this momentum sustains, the country may enter a new capex cycle. The universal vaccination program by the Government has played a big part in reinstating confidence among the population, in turn helped to revive private consumption.

Realizing the need to impart external stimuli, the Government stepped up its spending on infrastructure projects which in turn had a positive impact on economic growth. The capital expenditure of central government increased by nearly 24.5% during FY 2023 as compared to the previous fiscal. The improvement was accentuated further as the Union Budget 2023-2024 announced 37.4% increase in capital expenditure (budget estimates), to the tune of Rs 10 trillion. The announcement also included 30% increase in financial assistance to states at Rs 1.3 trillion for capex. This has provided the much-needed confidence to private sector, and in turn attracted private investment.

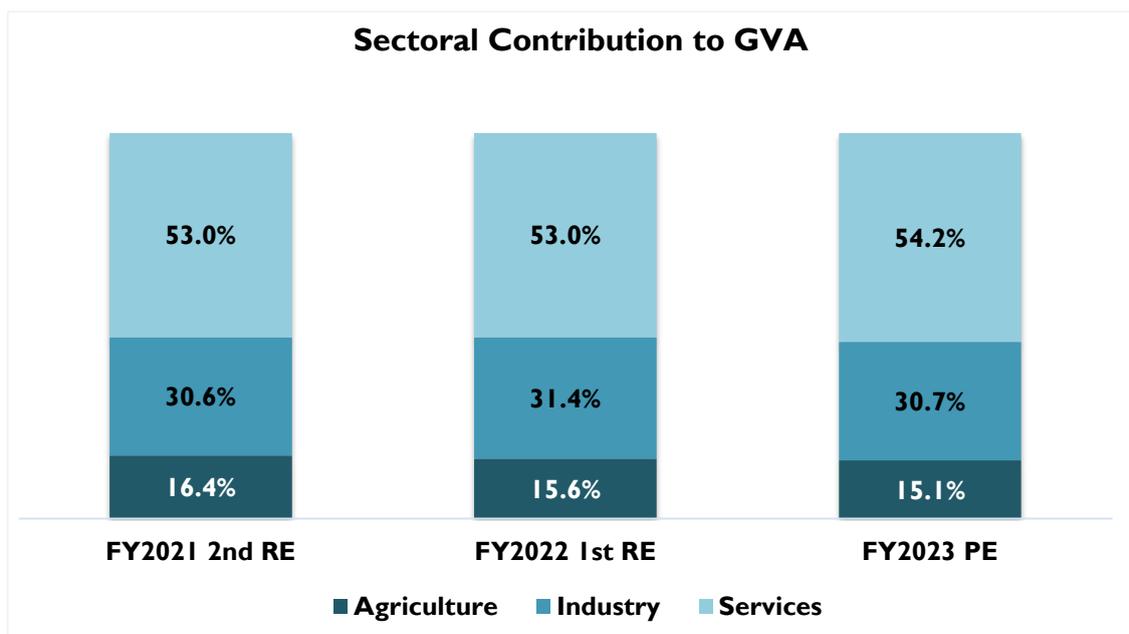
On the lending side, the financial health of major banks has witnessed an improvement which has helped in improving the credit supply. With capacity utilization improving, there would be demand for credit from corporate sector to fund the next round of expansion plans. Banking industry is well poised to address that demand. Underlining the improving credit scenario is the credit growth to micro, small and medium enterprise (MSME) sector as the credit outstanding to the MSME sector by scheduled commercial banks in the financial year FY 2023 grew by 12.3% to Rs 22.6 trillion compared to FY 2022. The extended Emergency Credit Linked Guarantee Scheme (ECLGS) by the Union Government has played a major role in improving this credit supply.

India's GDP in FY 2023 grew as per provision data grew by 7.2% compared to 9.1% in the previous fiscal on the back of slowing domestic as well as external demand owing to series of interest rate hikes globally to tackle high inflation. The year-on-year moderation in growth rate is also partly due to a fading impact of pandemic-induced base effects which had contributed towards higher growth in FY 2022.

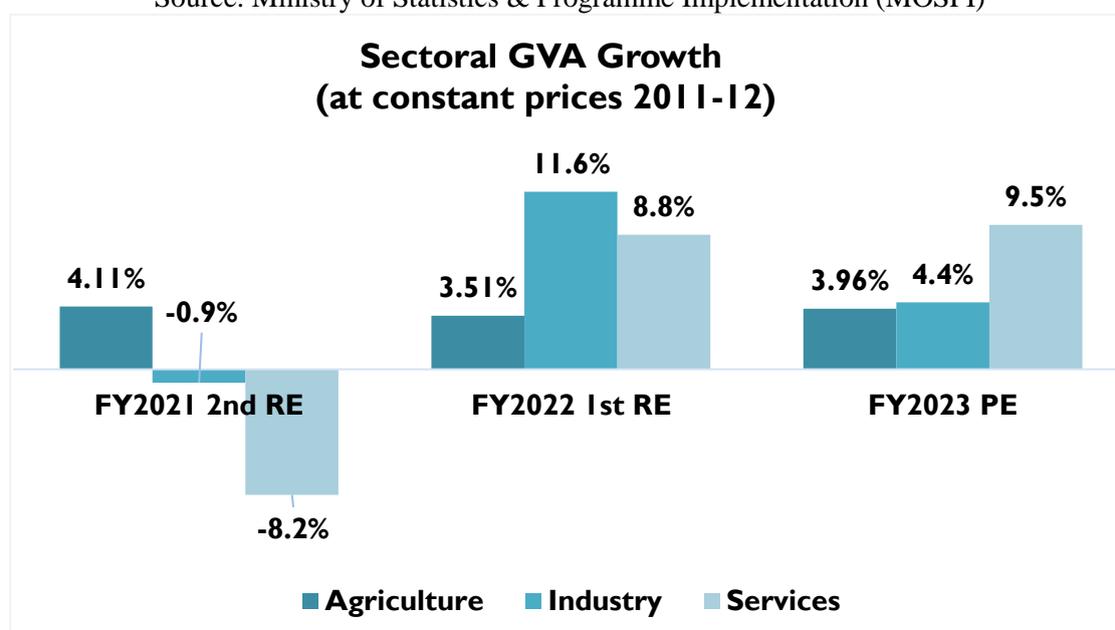


Source: Ministry of Statistics & Programme Implementation (MOSPI)  
RE stands for Revised Estimates, SAE stands for Second Advance Estimates

***Sectoral Contribution to GVA and annual growth trend***



Source: Ministry of Statistics & Programme Implementation (MOSPI)



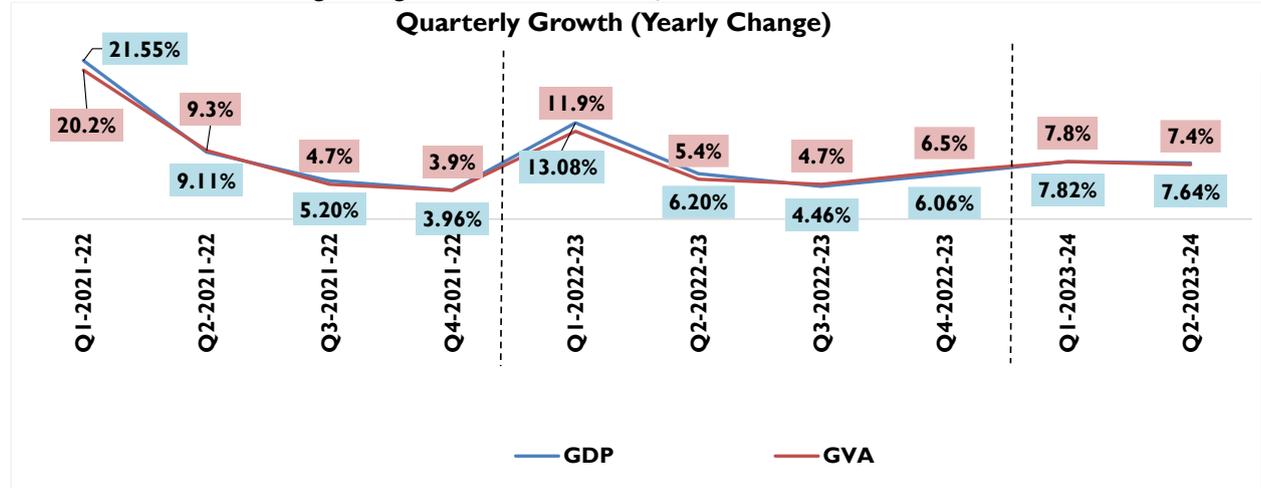
Source: Ministry of Statistics & Programme Implementation (MOSPI)

Sectoral analysis of GVA reveals growth tapered sharply in industrial sector which is estimated to have grown by just 4.4% against 11.6% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing, construction sector slowed and it registered a growth of 4.6%, 1.3% and 10% in FY 2023 against a growth of 7.1%, 11.1% and 14.8% in FY 2022, respectively. Utilities sector too observed a marginal moderation in y-o-y growth to 9% against a 9.9% in the previous years.

Talking about the services sectors performance, with major relaxation in covid restriction, progress on covid vaccination and living with virus attitude, business in service sector gradually returned to normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility returned to pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen and grow by 14% in FY 2023 against 13.8% in the previous year and financial services, real estate and professional services sector recorded 7.1% y-o-y growth against 4.7% y-o-y growth in the previous year. However, overall service sector growth was curbed by moderation in public administration and defence services sector which recorded 7.2% yearly increase against 9.7% increase in the previous year.

### Quarterly Sectoral Growth Trend

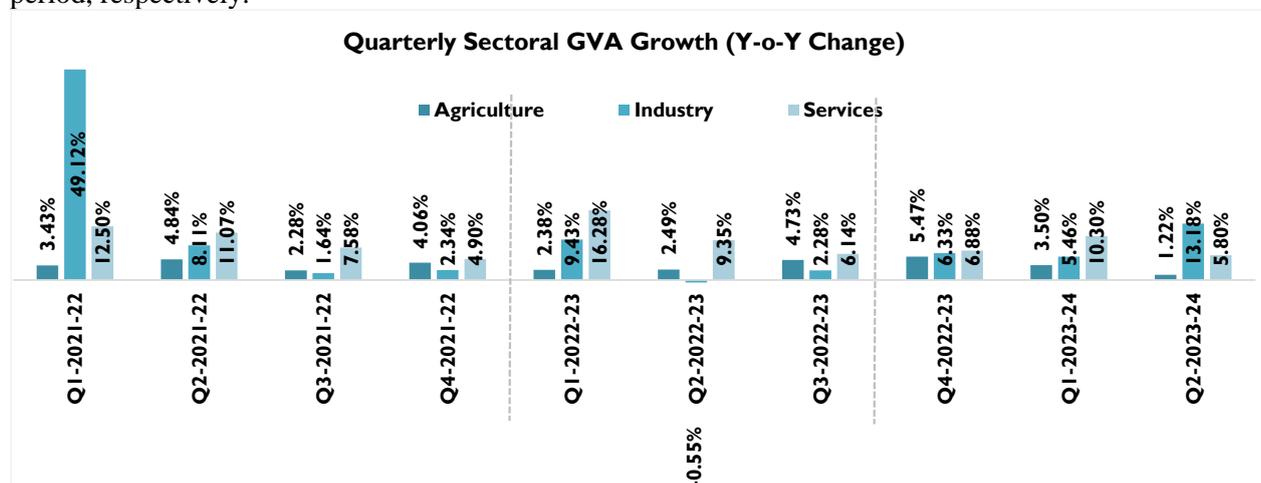
On quarterly basis, the country growth moderated in Q2 and Q3 of FY 2023 which highlights impact of slowing economy on the back of monetary tightening. During Q3 FY 2023, the country's GDP grew by 4.7% against 5.4% y-o-y increase in the previous quarter. However, the fourth quarter of FY 2023 saw a rebound in growth rate, indicating an optimistic scenario. GDP growth strengthened further in Q1 FY 2024 to 7.8% and it managed to grow above 7% in Q2 FY 2024.



Source: Ministry of Statistics & Programme Implementation (MOSPI)

Q2 FY 2024 Quarterly GVA number indicated revival as it registered 7.4% growth compared to 5.4% in Q2 FY 2023. Industrial sector emerged as a bright spot which supported overall GVA to grow above 7%. The industrial sector GVA grew by 13.18% in Q2 FY 2024 against a decline of 0.55% in corresponding quarter previous year. Within industrial sector, India's manufacturing sector exhibited sharp improvement by registering 13.9% y-o-y growth against a decline 3.8% in the same quarter previous year. Construction sector too exhibited 13.3% y-o-y growth in Q2 of FY 2024 against 5.7% y-o-y growth in the previous quarter, mining and quarrying sector, and Electricity, gas, water supply & other utility services sector registered 10% and 10.1% y-o-y growth respectively. In Q2 FY 2023, yearly growth stood as -0.1% and 6% in mining and quarrying and Electricity, gas, water supply & other utility services sector, respectively. While quarterly growth in industrial sector exhibited improvement, both agriculture and services sector indicated moderation during Q2 FY 2024. Agriculture sector GVA moderated to 1.22% in Q2 FY 2024 from 2.49% in the same quarter previous year.

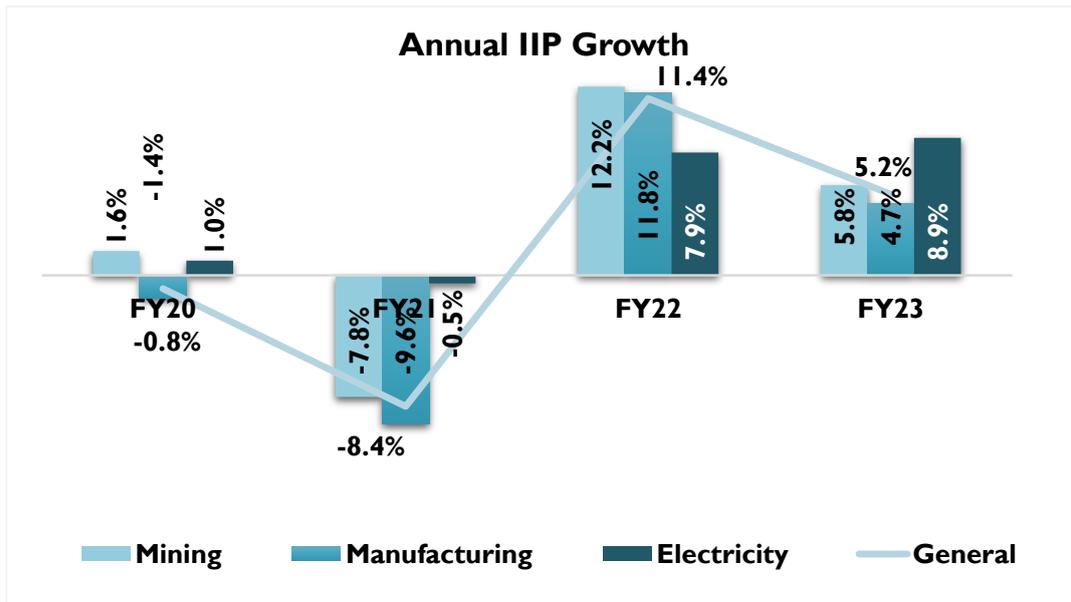
Within service sector, quarterly growth moderated to 5.8% in Q2 FY 2024 from 9.43% in Q2 FY 2023. Trade, hotel, transport, communication, and broadcasting segment observed sharp moderation in growth which registered merely 4.3% y-o-y growth in Q2 FY 2024 as compared to 15.6% growth in the Q2 FY 2023. Other services sector broadly classified as Financial, Real Estate & Professional Services too reported moderation and observed 6% y-o-y growth in Q2 FY 2024 against 7.1% (Q2 FY 2023) while Public Admin, Defence & Other Services registered 7.4% y-o-y growth against 5.4% during the previous period, respectively.



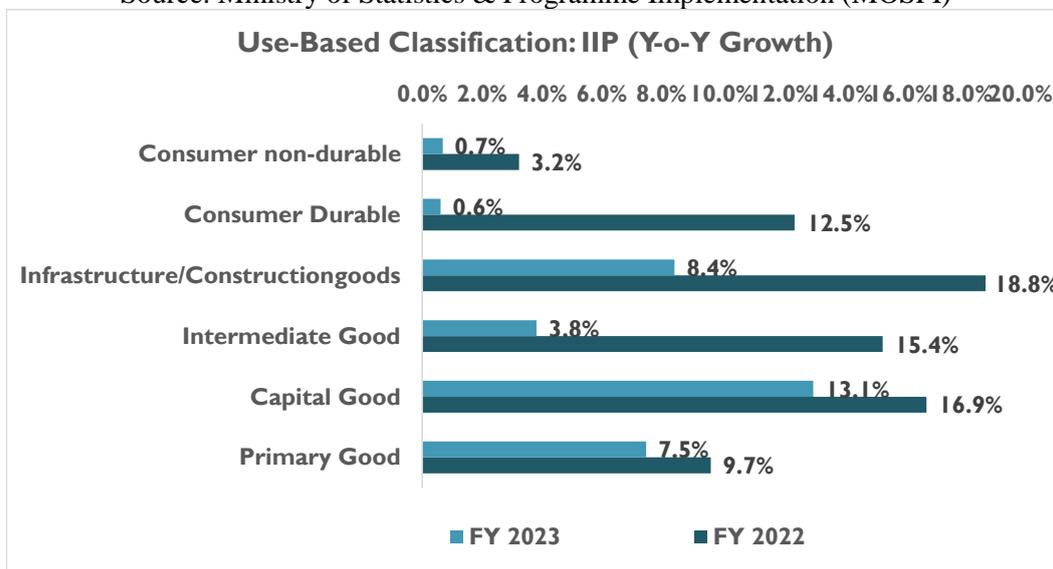
Source: Ministry of Statistics & Programme Implementation (MOSPI)

### Index of Industrial Production

Industrial sector performance as measured by IIP index exhibited moderation in FY 2023 by growing at 5.3% (against 11.4% in FY 2022) as series of rate hike to tame inflation impacted the industrial sector performance. Previously IIP index exhibited temporary recovery in FY 2022 from the low of Covid induced slowdown in industrial growth during FY 2020 and FY 2021. Manufacturing index, with 77.6% weightage in overall index, grew by just 4.7% in FY 2023 against 11.8% y-o-y growth in FY 2022 while mining sector index too grew by just 5.8% against 12.2% in the previous years. Electricity sector Index witnessed improvement of 1% over the previous year and registered 8.9% y-o-y increase in FY 2023



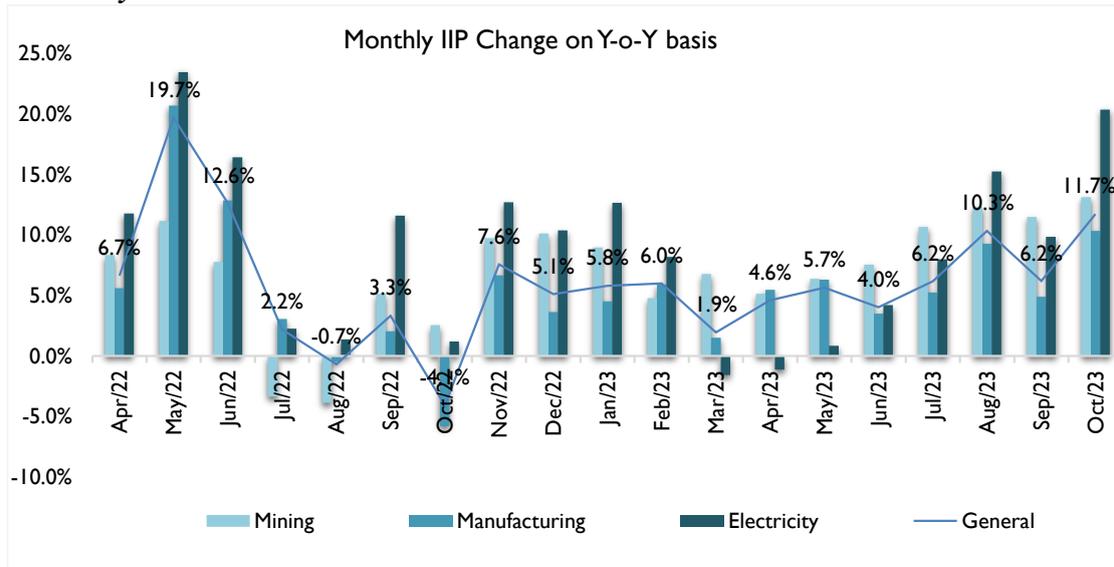
Source: Ministry of Statistics & Programme Implementation (MOSPI)



Sources: MOSPI

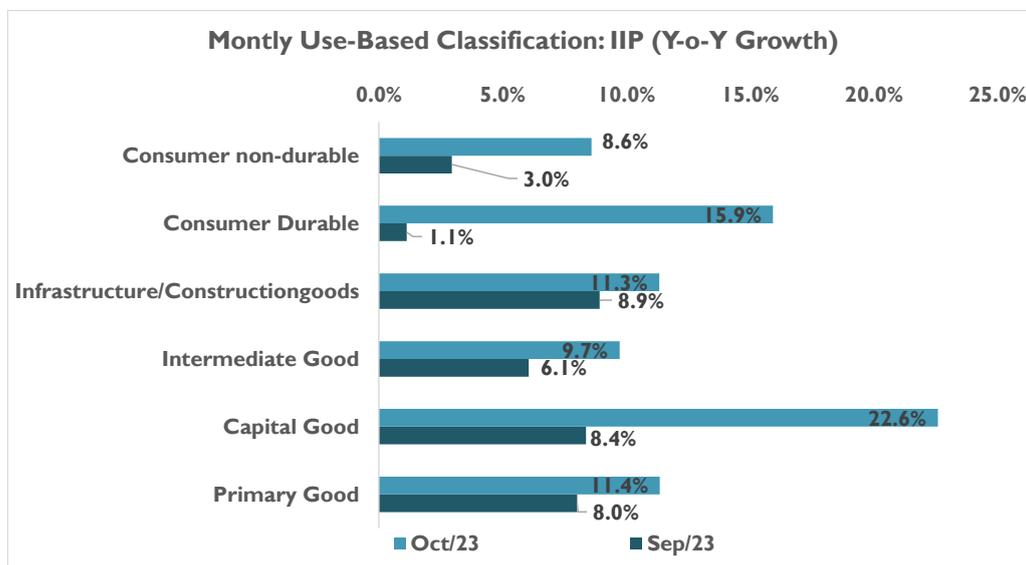
As per the use-based classification, growth in all segments deteriorated for FY 2023 as compared to FY 2022. Consumer good and intermediate goods were worst hit segments followed by infrastructure / construction Goods. The contracting IIP data points towards adverse operating business climate as global headwinds, high inflation, and monetary tightening cumulatively impacted the broader industrial sector performance.

### Monthly IIP Growth Trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

In FY23, IIP index improved steadily during April and May but moderated sharply in the subsequent three month and it measured lowest in October 2022 while it showed uneven movement in the subsequent month too. IIP again moderated to register 1.9 % y-o-y growth in March 2023. In current fiscal FY 2024, the index has reported steady improvement over the last fiscal. Average of Monthly IIP data from April to October indicated 6.9% y-o-y growth against 5.3% y-o-y increase in the previous year. Manufacturing and Mining index both exhibited improvement in growth between April -October 2023 and registered 6.4% and 9.4% y-o-y growth against 4.9% and 4% y-o-y growth between April to October 2022. Electricity sector index exhibited moderation in growth, and it grew by 7.9% against 9.4% during the above period.

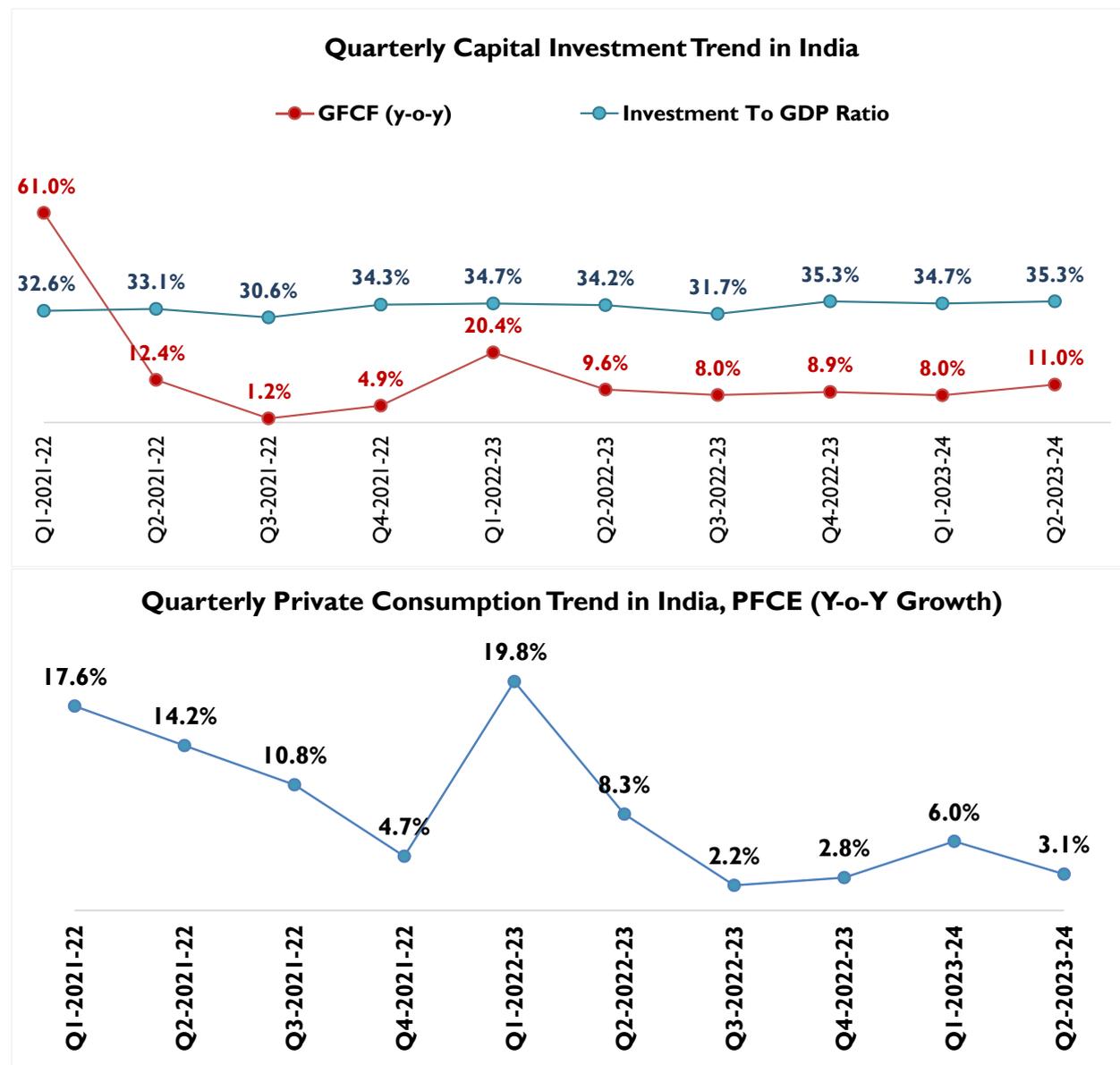


Sources: MOSPI

As per the use-based classification, growth in all segments exhibited improvement in October 2023 as compared to previous month. The improving IIP data points towards India’s resilience amidst challenging operating business climate as global headwinds, high inflation and monetary tightening is likely to have adverse impact on the overall global economic performance.

### Investment & Consumption Scenario

Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, gained strength during Q2 FY 2024 as it grew to 5 quarter high and registered 11% y-o-y growth against 9.6% yearly growth in Q2 FY 2023 while GFCF to GDP ratio measured all time high since Q3 FY 2012 to 35.3%.

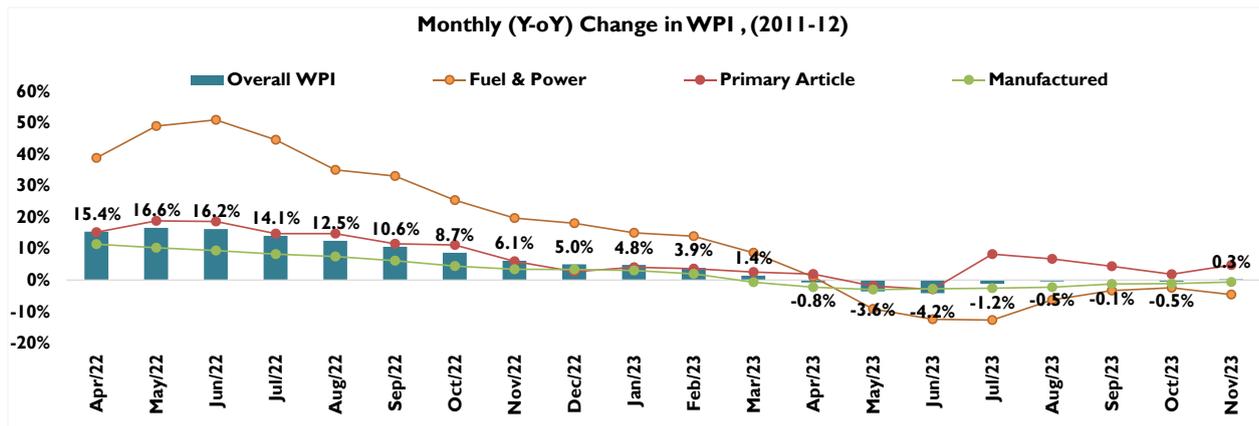


Sources: MOSPI

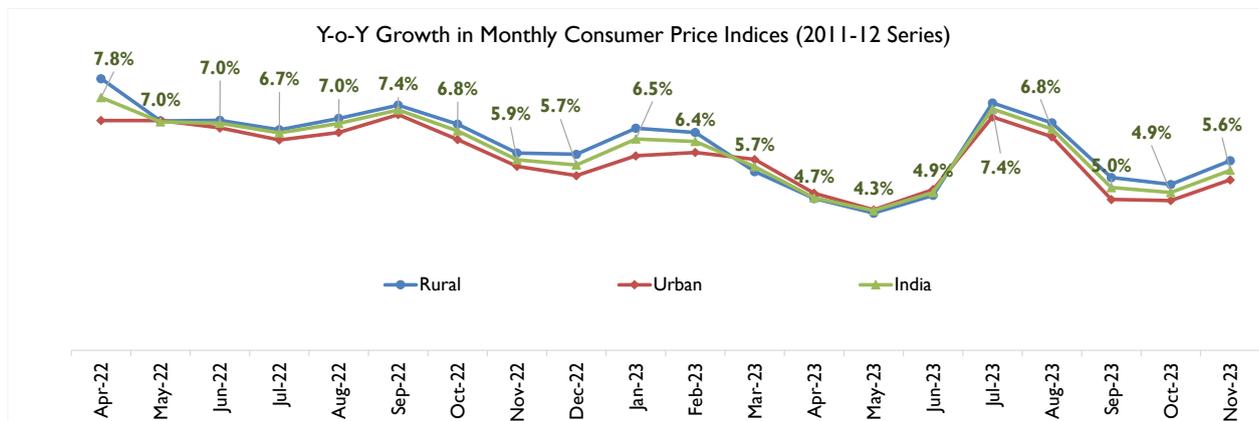
Private Final Expenditure (PFCE) a realistic proxy to gauge household spending, observed decelerated and registered 3.1% y-o-y growth in Q2 FY 2024 which is almost half of the previous quarter indicating sustained weakness in mass demand.

### Inflation Scenario

Wholesale Price Index (WPI) which exhibited decline in the previous seven month rose sharply in November 2023 to 0.26% on the back of increasing prices of food inflation which grew by 8.18% in November 2023, up from 2.53% in October 2023. Increasing prices of minerals, machinery & equipment, computer, motor vehicles, electronics & optical products, other transport equipment and other manufacturing too translated in increasing WPI inflation in November 2023.



Source: MOSPI, Office of Economic Advisor, November data is provisional.



Source: CMIE Economic Outlook

Retail inflation rate (as measured by Consumer Price Index) again grew to 5.6% in November 2023 as compared to 4.8% in October 2023. The CPI inflation for rural and urban for the month of October 2023 was 5.12% and 4.62% which increased to 5.85% and 5.26% respectively in November 2023. Long term inflation rate since April 2021 peaked in April 2022 when it measured 7.8% while it moderated in subsequent month thereafter reaching 7.4% in July 2023 and the value of CPI inflation in August 2023 was 6.8%.

CPI measured below 6% tolerance limit of the central bank during November 2023. As a part of anti-inflationary measure, the RBI has hiked the repo rate by 250 bps since May 2022 to current 6.5% while it has been holding the rate at 6.5% since 8 Feb 2023.

### India's Economic Growth Outlook

The second advance estimates project a 7.6% growth in real GDP for FY24. Looking ahead to FY25, we anticipate GDP to maintain a robust above 7% growth trajectory, which will mark the fourth consecutive year of 7%+ growth. This growth momentum is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilisation and rising credit flow. Additionally, there are positive signs of improvement in net external demand, as reflected in the narrowing merchandise trade deficit. Despite the supply disruptions, exports clocked positive y-o-y growth in December 2023 and January 2024.



From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in the interim budget announced on 1<sup>st</sup> Feb 2024. Noteworthy positives in the budget include achieving a lower-than-targeted fiscal deficit for FY24 and setting a lower-than expected fiscal deficit target for FY25, proposing dedicated commodity corridors and port connectivity corridors, providing long-term financing at low or nil interest rates to the private sector to step up R&D in the sunrise sectors.

Achieving a reduced fiscal deficit of 5.8% in FY24 and projecting a lower than-anticipated fiscal deficit of 5.1% are positive credit outcomes for India. This showcases the country's capability to pursue a high-growth trajectory while adhering to the fiscal glide path. There has been a significant boost to capital expenditure for two consecutive years; capital expenditure – which is budgeted at 3.4% of GDP (INR 11.1 trillion/USD 134 bn) for 2024/25 – is at a 21-year high (3.3% of GDP in 2023/24). The enhancement of port connectivity, coupled with the establishment of dedicated commodity corridors (energy, mineral and cement), is poised to enhance manufacturing competitiveness. This strategic move aims to fulfil India's export targets and substantially reduce logistics costs.

However, headwinds to external demand emanate from recession in key exporting partners - the UK and Germany (which collectively account for over 5% of India's export portfolio) - and the spiraling effect it will have on other European countries. Supply disruptions posed by the conflict in the Red Sea, leading to rerouting of shipments through Africa, are impacting sectors exposed to exports to Europe, running on thin margins, especially small businesses. Although headline inflation moderated to 5.1% in January 2024, a three-month low, volatility in crude prices and uncertainties about food inflation are likely to keep the central bank cautious in the near term.

***Some of the key factors that would propel India's economic growth in the coming year Government focus on infrastructure development***

Infrastructure development has remained recurring theme in India's economic development. The launch of flagship policies like National Infrastructure Pipeline (NIP), and PM Gati Shakti plan have provided the coordination & collaboration that was lacking earlier. Both NIP and PM Gati Shakti are ambitious billion-dollar plans that aim to transform India's infrastructure, elevating it to the next level. These projects are expected to improve freight movement, debottleneck the logistics sector, and improve the industrial production landscape, which would provide the incremental growth in GDP. In its Union Budget FY 2023, the Government has increased the capital expenditure by 35% to nearly INR 7.5 lakh crore – which indicates the strong Government focus on improving the overall infrastructure landscape in India.

**Development of Domestic Manufacturing Capability**

The Government launched Production Linked Incentive (PLI) scheme in early 2020, initially aimed at improving domestic manufacturing capability in large scale electronic manufacturing and gradually extended to other sectors. At present it covers 14 sectors, ranging from medical devices to solar PV modules. The PLI scheme provides incentives to companies on incremental sales of products manufactured in India. This incentive structure is aimed to attracting private investment into setting up manufacturing units and thereby beef up the domestic production capabilities. The overall incentives earmarked for PLI scheme is estimated to be INR 2 lakh crore. If fully realizing the PLI scheme would have the ability to add nearly 4% to annual GDP growth, by way of incremental revenue generated from the newly formed manufacturing units.

**Strong Domestic Demand**

Domestic demand has traditionally been one of the strong drivers of Indian economy. After a brief lull caused by Covid-19 pandemic, the domestic demand is recovering. Consumer confidence surveys by Reserve Bank / other institutions are points to an improvement in consumer confidence index, which is a precursor of improving demand. India has a strong middle-class segment which has been the major driver of domestic demand. Factors like fast paced urbanization and improving income scenario in rural markets are expected to accelerate domestic demand further. This revival is perfectly captured by the private final



consumption expenditure (PFCE) metric. PFCE as a percentage of GDP increased to nearly 59.2% during the first half of FY 2023<sup>1</sup>, which is the highest level it has achieved during the past few years. Although pent-up demand has played a part in this surge, this is an indication of normalization of demand.

There are two factors that are driving this domestic demand: One the large pool of consumers and second the improvement in purchasing power.

- The share of middle class increased from nearly 14% in 2005 to nearly 30% in 2021 and is expected to cross 60% by 2047 (Placeholder1)<sup>2</sup>. This expanding middle class household segment is fuelling India’s growth story and would continue to play a key role in propelling India’s economic growth.
- As per National Statistics Office (NSO) India’s per capita income (in current prices) stood at INR 1.72 lakhs in FY 2023 which is nearly double of what it was in FY 2015. This increase in per capita income has impacted the purchasing pattern as well as disposable spending pattern in the country. Consumer driven domestic demand is majorly fuelled by this growth in per capita income.

### Digitization Reforms

Ongoing digitization reforms and the resultant efficiency gains accrued would be a key economic growth driver in India in the medium to long term. Development of digital platforms has helped in the seamless roll out of initiatives like UPI, Aadhaar based benefit transfer programs, and streamlining of GST collections. All of these have contributed to improving the economic output in the country. Some of the key factors that have supported the digitization reforms include – the growth in internet penetration in India together with drop in data tariffs, growth in smartphone penetration, favourable demographic pattern (with higher percentage of tech savy youth population) and India’s strong IT sector which was leveraged to put in place the digital ecosystem. All these factors are expected to remain supportive and continue to propel the digitization reforms in India.

## INDIAN PACKAGING INDUSTRY

### Overview

According to the Economic Survey 2022-23, India ranks as the world's third-largest economy in PPP terms and the fifth largest in terms of GDP. The substantial economic size has created fresh business prospects globally, particularly in the packaging industry. The Indian packaging sector, witnessing significant growth, benefits from its presence across various industrial segments and the evolving trade landscape, including the rise of e-commerce and organized retailing. The demand for secure packaging solutions has surged with the growth of e-commerce, emphasizing the crucial role of packaging in preserving product integrity during transit, supported by robust logistics and distribution networks.

*The packaging sector is divided into two categories i.e rigid and flexible.*

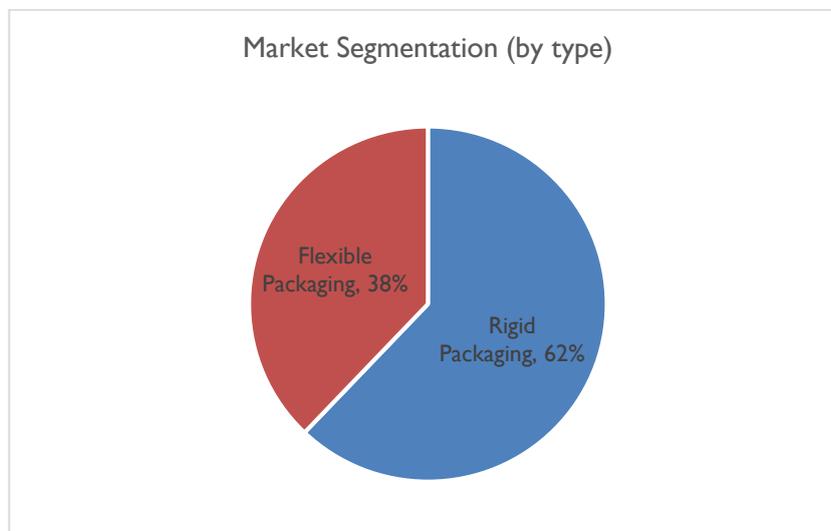
Rigid Packaging	Flexible Packaging
Wood based packaging. Metal packaging Glass packaging Paper (corrugated paper) packaging Rigid plastic packaging	Plastic film-based packaging (polymer film-based packaging products) Cellophane

Currently, Indian packaging sector is dominated by rigid packaging segment. However, the penetration of flexible packaging materials is increasing steadily. The flexibility in transportation and storage along

<sup>1</sup> India Economic Survey FY 2023, Full year data is yet to be released

<sup>2</sup> As per the survey conducted by People Research on India’s Consumer Economy. Households with annual income in the range of INR 5 – 30 lakh is considered as middle class households

with superior barrier properties is helping in the growth of flexible packaging materials. With demand for products like packaged food and personal care products increasing, usage of flexible packaging materials – which is the preferred packaging material in food & beverage industry – would increase.



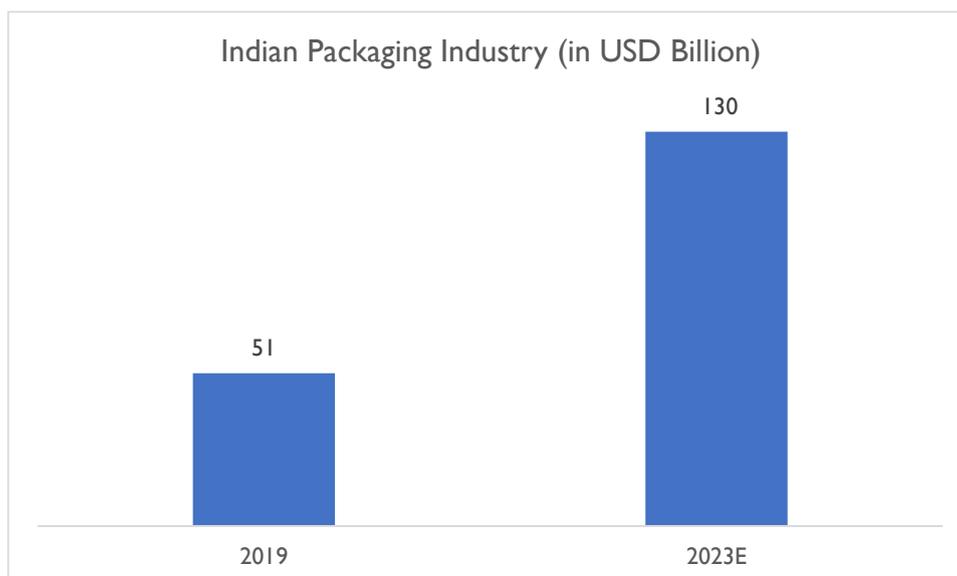
Source: D&B Research

**The rigid packaging segment:** Comprising 62% of India's overall packaging, the rigid sector encompasses materials like glass, metal, paper and cardboard, and rigid plastics such as PET, HDPE, and PVC for containers and packaging. These materials offer durability, quality, and protection for various products. These materials ensure that products remain secure during transportation, offer barrier properties to protect against external factors, and contribute to the overall sustainability of the packaging industry through recyclability and reusability initiatives. The rigid packaging sector continually evolves to meet industry trends and consumer demands for efficient and environmentally friendly packaging solutions.

In contrast, constituting 38% of the total packaging sector, **the flexible packaging sector** employs a variety of materials, including flexible plastics, paper, foil, and combinations of these, to create versatile packaging solutions. Flexible packaging involves packaging using plastic/polymer sheets such as biaxial oriented polypropylene (BOPP), metalized BOPP films, films made from polyethylene, polyvinyl chloride, and cellophane. This sector is characterized by its lightweight design, cost-effectiveness, and adaptability to different shapes, making it suitable for a diverse range of products. Flexible packaging is widely utilized for items such as snacks, coffee, frozen foods, and pet food. It actively contributes to sustainability efforts through the development of recyclable and compostable materials.

***Current Status of Packaging Industry in India***

The packaging industry is one of the largest economic sectors in the country, and it is estimated that Indian packaging industry accounts for approximately 10%-15% of the global packaging industry. The India Packaging Market, valued at USD 50.5 billion in 2019, is estimated to have reached USD 130.1 billion by 2023, experiencing a compounded annual growth rate of 26.7% from 2019 to 2023. This reflects the robust growth of the packaging sector in India, expanding at a rate of 23-28% annually and establishing itself as a preferred hub for the packaging industry.



**Source: Packaging Industry Association of India, D&B Research**

The industry has undergone notable transformations over the past two years amid the pandemic. Throughout different phases of the pandemic, diverse companies in the packaging sector have embraced emerging trends. These trends encompass smart, sustainable, and secure packaging, infused with innovation and artistic elements. These packaging trends have gained significant prominence across various industries, including food, pharmaceuticals, beverages, cosmetics, and other FMCG.

Major global FMCG players have declared a gradual shift toward sustainable packaging. Industries such as pharmaceuticals, food processing, and personal care are experiencing substantial growth, driven by significant investments from large multinational corporations. This surge has led to the development of cost-effective and eco-friendly packaging solutions, contributing to the expansion of the packaging sector.

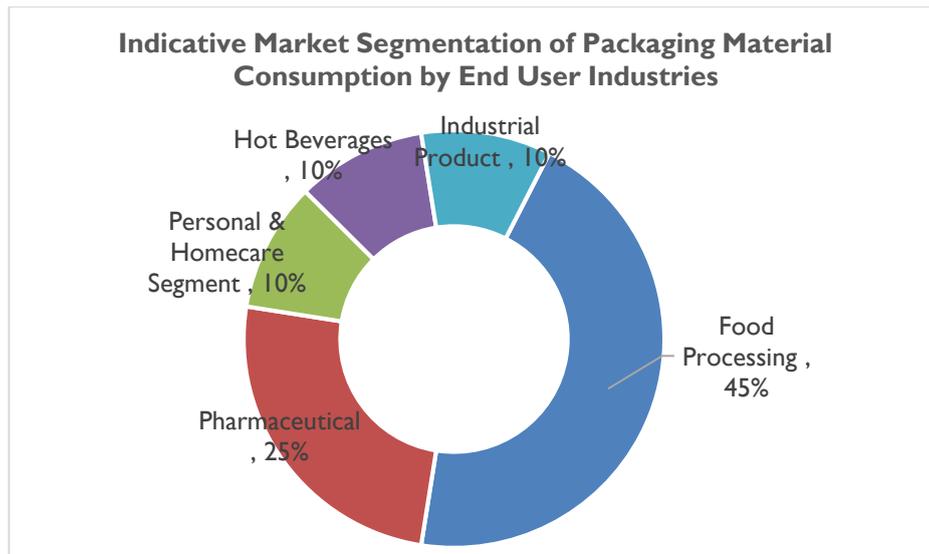
As the **5th largest sector** in India's economy, the packaging industry has demonstrated consistent growth in recent years, indicating substantial potential for further expansion. Noteworthy exports from the industry include flattened cans, printed sheets, crown cork, lug caps, plastic film laminates, kraft paper, paperboard, and packaging machinery. With processing and packaging costs for food being up to 40% lower than certain European regions, coupled with India's skilled labour resources, the country emerges as an attractive investment destination.

Government initiatives like 'Make in India' and the implementation of Goods and Services Tax (GST) have played a role in streamlining supply chains, positively impacting the packaging sector. Furthermore, technological advancements, such as smart packaging and anti-counterfeiting measures, are becoming integral to enhancing product safety and engaging consumers.

As the Indian packaging industry continues to adapt to evolving market dynamics, it remains a key player in supporting the growth and competitiveness of various sectors in the country.

***Market Segmentation by End User Industries***

Packaging is a critical element across industries, serving as a tool that goes beyond merely protecting products. It plays a pivotal role in ensuring product safety, maintaining brand identity through distinctive designs and labels, enhancing consumer convenience with ergonomic features, and complying with regulatory standards. Demand primarily comes from sectors like Processed food packaging (including Alcoholic & Non Alcoholic beverages), Personal Care products packaging, Pharma packaging, FMCG, Tobacco, and others. Pharmaceuticals, Processed food, and Personal Care products. Based on end user industries, the packaging material consumption is highest in food processing followed by pharma, personal and home care product, hot beverages segment and industrial products. Currently, food processing sector is the largest end user of various packaging material accounting for 45% of the total industry size, followed by pharmaceutical and personal & home care product.



**Sources: D&B Research, Industry Sources**

The packaging sector extend several advantages in diverse range of industry which is discussed as below:

**Food Packaging:**

Food packaging serves a dual purpose of preserving the freshness and quality of edibles while also acting as a marketing tool. The utilization of vacuum packaging modified atmosphere packaging (MAP), and barrier coatings helps in extending the shelf life of perishable items. Labels and graphics on packages not only provide essential information like nutritional details but also contribute to brand recognition, making packaging a pivotal aspect of consumer trust and satisfaction.

**Healthcare Packaging:**

Healthcare packaging is all about ensuring the safety and efficacy of pharmaceuticals and medical devices. Tamper-evident seals, sterile packaging, and child-resistant closures are critical features. Compliance with regulatory standards is a non-negotiable aspect, and packaging plays a pivotal role in meeting these requirements. It goes beyond containment, becoming an essential component in patient safety and well-being.

**Beverage Packaging:**

The beverage industry relies on packaging for practicality and branding. PET bottles, cans, glass containers, and cartons are designed for convenience and visual appeal. The packaging not only protects the liquid contents but also acts as a medium for brand messaging and differentiation. Ergonomic designs, tamper-evident seals, and eco-friendly materials are key considerations in beverage packaging.

**Personal Care Product Packaging:**

Packaging for personal care products goes beyond functionality to encompass aesthetics. Bottles, tubes, and jars are designed for ease of use and often feature innovative dispensing mechanisms. Premium materials, unique shapes, and visually appealing designs contribute to the product's perceived value. Packaging in this sector is a crucial element in establishing brand identity and attracting consumers in a competitive market.

**Industrial Packaging:**

Industrial packaging is focused on the logistics of transporting and storing bulk materials, machinery, and components. Robust materials like corrugated boxes, steel containers, and specialized crates are chosen based on the durability required. The packaging ensures that industrial products reach their destination without damage, contributing to supply chain efficiency and overall cost-effectiveness.



### ***Government Regulations***

The packaging sector has a much wider exposure to other sectors of our economy. The growth of these sectors in the coming decade will have a combined effect to take this sector to new heights. Government of India recognised the potential of this sector and released a slew of policies to further incentivize innovation in this sector.

This sector is primarily overseen by the IIP, a distinguished institution with extensive international affiliations, influential memberships, and key initiatives that collectively establish it as a central authority in shaping the standards and advancements of the packaging industry.

### **Indian Institute of Packaging (IIP)**

The Indian Institute of Packaging (IIP) stands as the national apex body established in 1966, a collaborative effort between the packaging and allied industries and the Ministry of Commerce, Government of India. Functioning as an autonomous body under the Ministry of Commerce, its primary objective is to elevate packaging standards within the country. By focusing on multifarious activities aligned with global premier packaging institutes, the IIP aims to enhance packaging quality for export promotion and overall packaging improvement in India. The Institute's major activities encompass training and education, testing and certification, research and development, as well as consultancy and projects.

The Institute maintains a strong relationship with global entities such as the World Packaging Organization (WPO) and the Asian Packaging Federation (APF). It holds affiliations with international organizations and serves as a founding member of the Asian Packaging Federation (APF), a member of the Institute of Packaging Professionals (IOPP) in the USA, the Institute Packaging (IOP) in the UK, and the Technical Association of Pulp and Paper Industry (TAPPI) in the USA.

Furthermore, the Institute hosts a bi-annual event, the International Packaging Exhibition, known as INDIAPACK, and a national competition recognizing excellence in packaging, named INDIASTARA. Notably, there is a dedicated effort to conduct Residential Training Programs for African citizens, a special initiative undertaken in collaboration with the Indo-Africa Forum Summit and supported financially by the Ministry of External Affairs and the Ministry of Food Processing Industry, Government of India.

Notably, IIP's laboratories, situated in Mumbai (Headquarters) and regional centers in Delhi, Kolkata, Hyderabad, and Chennai, play a pivotal role in testing various packaging materials. With accreditation from NABL, these laboratories offer a comprehensive range of testing services covering mechanical, chemical, and physico-chemical properties. The IIP extends its reach to both domestic and international standards, including BIS, ISO, BS, ASTM, and more. It issues UN Certification for export packages of hazardous goods and provides equipment calibration standardization certificates.

In addition to its testing prowess, IIP offers industry consulting services, undertaking projects related to standards, substitutions of packaging materials, and package design improvements across diverse sectors. The Institute collaborates with international organizations, such as the Asian Packaging Federation (APF) and the World Packaging Organization (WPO). Moreover, it has contributed significantly to packaging promotion in developing countries through projects with UNIDO, ITC, CFTC, and the EU.

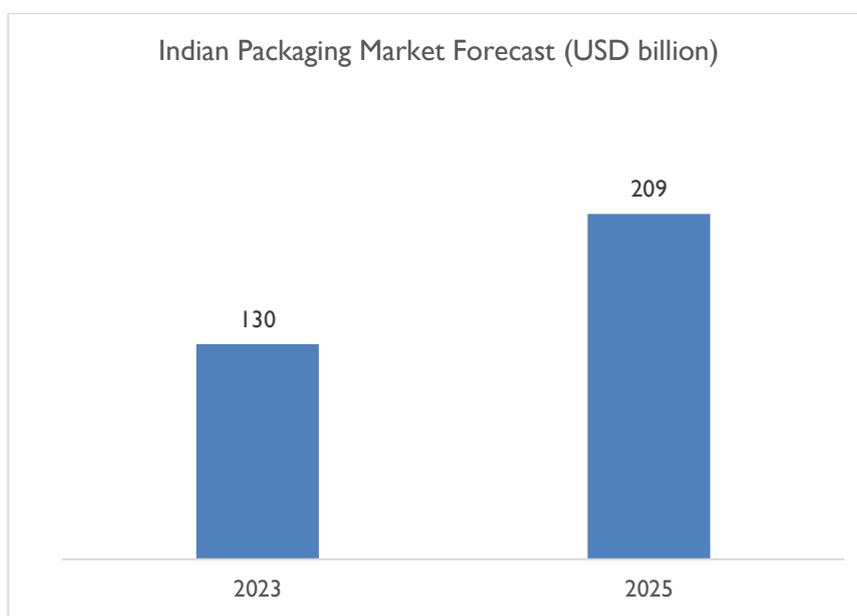
With a diverse membership base, including Patron Members, Overseas Members, Life Members, and Ordinary Members, the IIP continues to serve as a key player in fostering advancements in the art, science, technology, and engineering of packaging in India.

### ***Growth Outlook***

India's position as the fastest-growing market for paper globally presents an intriguing opportunity. As the nation's economy experiences growth, paper consumption is expected to witness a substantial leap forward. The anticipated trajectory suggests that the growth in paper consumption will be in multiples of GDP. In practical terms, an increase in consumption by one kg per capita would correspondingly result in a demand surge of 1 million tonnes. This projection brings out the industry's alignment with economic trends, presenting a promising scenario for future expansion and development.

The Indian economy is experiencing robust growth, fuelled by increasing consumption patterns across various sectors. Supported by rising income level and changing lifestyle, there is noticeable uptick in consumer spending that is significantly contributing to the country's economic expansion. Against this backdrop, key industries are experiencing remarkable growth. The e-commerce sector, boasting a Gross Merchandise Value surpassing approximately USD 55 billion in 2022, is projected to achieve an annual Gross Merchandise Value of USD 350 billion by 2030. Simultaneously, the food and beverage industry, constituting approximately 3% of India's GDP, is on a trajectory to reach USD 505 billion by 2027 from USD 322 Bn in the year 2022. Further, other key user segments such as FMCG and Pharma are also expected to benefit from the growth in the economy.

The expansive growth in these industries inherently leads to an increased demand for packaging. E-commerce relies heavily on efficient packaging for the safe delivery of products. The food and beverage sector requires innovative and secure packaging solutions to meet consumer expectations. Similarly, the FMCG and pharmaceutical industries necessitate reliable packaging to preserve product integrity and ensure safety. Thus, the packaging industry is expected to rise to nearly USD 209 Bn by 2025.



As the demand for packaging escalates across these thriving sectors, there is a subsequent surge in the requirement for paper packaging. The need for advanced, efficient, and sustainable packaging solutions drives investments in paper packaging.

## INDIAN PAPER & PAPERBOARD PACKAGING INDUSTRY

### *An Overview of Indian Paper Industry*

According to Indian Paper Manufacturers Association (IPMA), the country ranks among the top 15 major paper producers globally and accounts for about 5% of the world's paper production. The estimated turnover of the industry is INR 80,000 cr and its contribution to the exchequer is around INR 5,000 crore. Paper is a labour-intensive industry in India. The industry provides direct employment to 0.5 million persons, and indirectly to around 1.5 million.

In FY 2023, boasting an annual capacity of 30.73 million Tonnes Per Annum (TTPA), India manufactured 23.67 million tonnes of paper and paperboard in FY 2023. This translates to approximately 88% of the capacity utilisation by the industry.

Metric	Unit	FY 2023
Installed Capacity	Million Tonnes Per Annum	30.73

Operating Capacity	Million Tonnes	25.61
Production	Million Tonnes	23.7*
Capacity Utilisation	Million Tonnes	~88%

**Source: Department for Promotion of Industry and Internal Trade, Annual Report 2022-23, \*D&B Estimates**

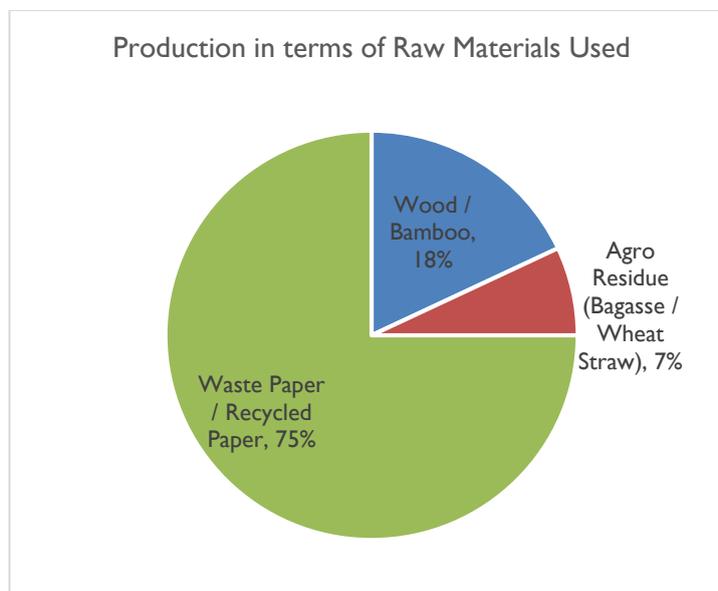
### Major Paper Produced

India produces variety of paper for various as which find application in diverse industry. These include:

Major Types of Paper	
Printing & Writing Paper	Uncoated (Creame Woven, Copier, Maplitho), Coated
Industrial Paper/ Paperboard	Kraft Paper, Duplex Boards
Newsprint	Glazed paper, standard paper
Specialty Paper	Tissue Paper, tissue paper/hygiene paper, insulation paper, filter paper, greaseproof paper, absorbent paper for laminates,

### Raw Material for Paper

Although initially reliant on softwood and other grasses, the Indian paper industry has evolved significantly due to technical innovations. Over time, these advancements have empowered the industry to process a diverse range of raw materials. The industry's raw material usage can be categorized into three segments: wood-based, agro-based (including biogases, wheat straw, rice straw, sarkanda, jute, grasses, etc.), and recycled fiber or wastepaper-based.



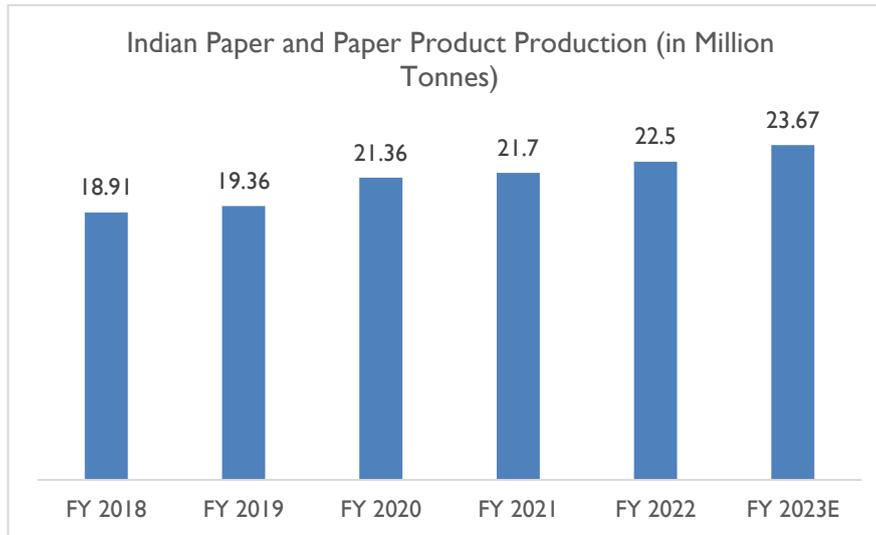
*(Source: Department for Promotion of Industry and Internal Trade, Annual Report 2022-23)*

Today, a significant 75% of the total production of paper and paperboard is derived from wastepaper or recycled paper sources. Wood and bamboo collectively account for approximately 18% of the share, emphasizing their continued contribution. Additionally, agro-based raw materials, including bagasse, wheat, and straw, contribute to 7% of the overall volume in the production of paper and paperboard.

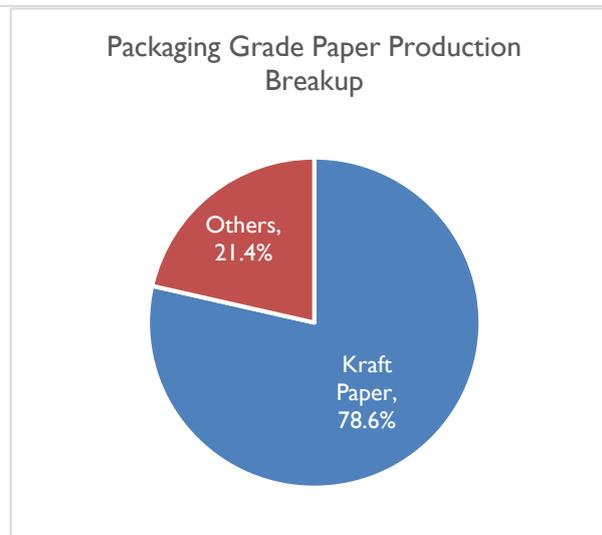
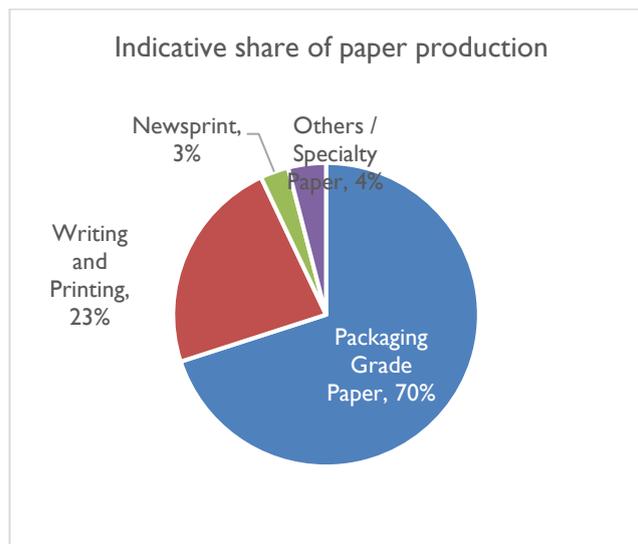
### Historical Growth Trend in Domestic Paper Production

The domestic paper and paper product production has grown steadily between FY 2018-23 where estimated production stood at 23.67 Mn tonnes in FY 2023. The slow growth observed after a remarkable rise of 10.3% in FY 2020 comes from the halted industry brought on by the covid-19 pandemic

lockdowns. While the industry has now picked up, growth levels achieved pre-pandemic are yet to be achieved.



Sources: CPPRI, DPIIT. FY 2023 data estimated based growth average of preceding three years

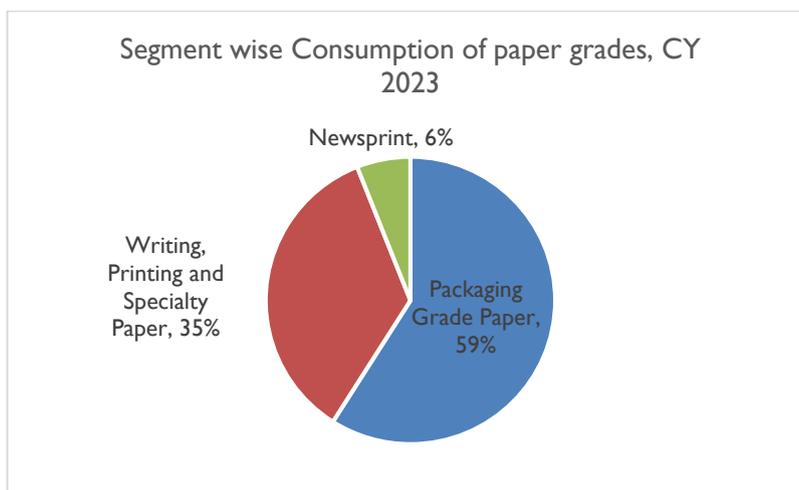


(Source: Department for Promotion of Industry and Internal Trade Annual Report 2022-23, D&B Estimates)

On account of being an eco-friendly and biodegradable product, packaging grade paper including kraft paper and duplex paper/board dominates the sector with 70% of total production where kraft paper alone is estimated to contribute nearly 55% share.

### Consumption Scenario

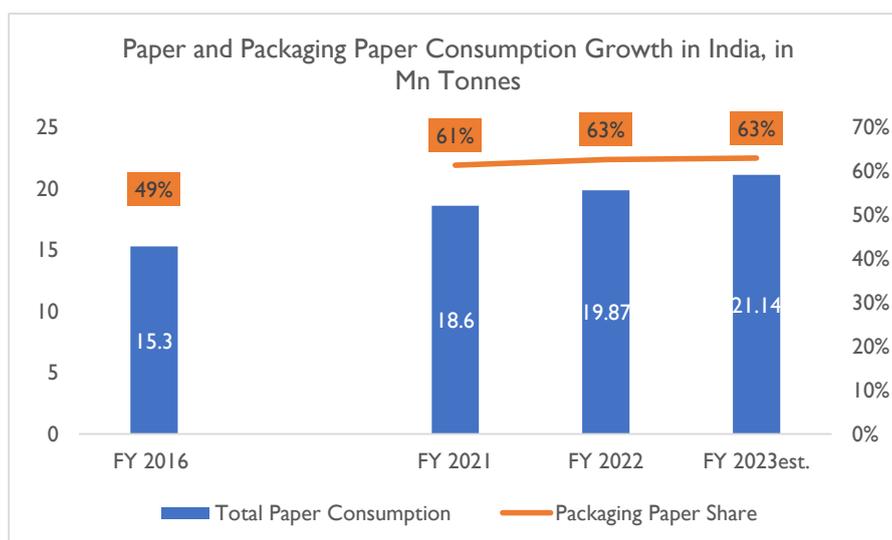
On demand side, the country has emerged as the fastest growing market when it comes to consumption. The per capita paper consumption in India at around 19 kg. India's total consumption of paper, paperboard, and Newsprint stood at 23.96 Mn tonnes in 2023 with Packaging Paper/Board segment alone accounting for nearly 59% share followed by writing, printing paper and specialty paper accounting for 35% share and newsprint alone accounting for remaining share of 6%.



Sources: D&B Research

### Historical Consumption Growth Trend

In the paper and pulp industry, the consumption patterns of essential packaging papers play a pivotal role. Between FY 2016 to FY 2023, the consumption of packaging paper is estimated to have grown from 7.5 Mn tonnes in FY 2016 to 13.3 Mn tonnes in FY 2023, growing at CAGR of 9% which is higher than the 5% CAGR observed in the total paper consumption which grew from 15.3 Mn tonnes to 21.14 Mn tonnes.

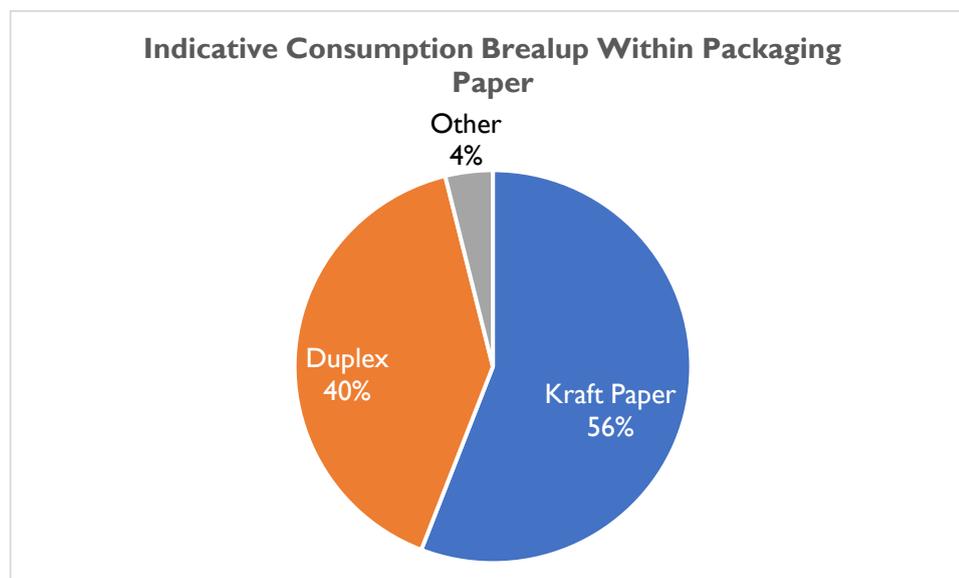


(Sources: Dun & Bradstreet Estimates and IPMA statistics)

On annual basis, the total paper consumption is estimated to have grown by 6.4% y-o-y growth while packaging paper is estimated to have grown by 7% in FY 2023. Between FY 2016-23, the share of packaging paper in total paper industry is estimated to have increased from 49% to 63%.

### **Indicative Consumption Break Up of Packaging Paper**

In the paper and pulp industry, the consumption patterns of essential packaging papers play a pivotal role. The apparent consumption of key packaging papers within this dynamic sector is as follows:



Source: IPMA

- **Kraft Paper:** Constituting a significant portion, the apparent consumption of Kraft paper stood at an impressive 7.2million tonnes in FY 2022. Known for its strength and versatility, Kraft paper serves diverse applications in packaging, contributing substantially to the industry's overall consumption.
- **Duplex Board:** Another integral component, duplex board, commands a substantial share with an apparent consumption of 5.3 million tonnes. Recognized for its balance of strength and printability, duplex board plays a crucial role in various packaging solutions, contributing significantly to the industry's overall dynamics.
- **Other Papers:** In addition to the dominant players, other papers contribute 0.5 million tonnes to the overall apparent consumption. These papers, although relatively smaller in quantity, likely encompass a range of specialized varieties tailored to specific packaging needs within the industry.

These consumption figures highlight the diverse and substantial role played by key packaging papers, reflecting the industry's reliance on these materials for a multitude of packaging applications. As the demand for sustainable and efficient packaging solutions continues to grow, these consumption trends provide valuable insights into the evolving dynamics of the paper and pulp industry.

## **GOVERNMENT REGULATIONS REGARDING RECYCLABLE PACKAGING MATERIAL & ITS IMPACT ON PAPER PACKAGING**

### **Plastic Waste Management Rules (2<sup>nd</sup> Amendment), 2022**

Since the last decade, the Indian Government has become proactive in tackling the plastic waste problem. The poor record in plastic recycling together with increasing usage of plastic products would magnify the plastic wastage issue in the coming years, and the proactive stance can be traced to this concern.

The Plastic Waste Management Rules, 2016, introduced by the Ministry of Environment, Forest and Climate Change (MoEFCC) on March 18, 2016, stipulate that generators of plastic waste must undertake measures to minimize its generation, prevent littering, ensure segregated storage at the source, and deliver segregated waste in accordance with the rules. These regulations also outline the obligations of various entities, including local bodies, gram panchayats, waste generators, retailers, and street vendors, for the effective management of plastic waste.



Furthermore, the Plastic Waste Management Rules, 2016, impose Extended Producer Responsibility on Producers, Importers, and Brand Owners, covering both pre-consumer and post-consumer plastic packaging waste. The guidelines provide a structured framework for the implementation of Extended Producer Responsibility, specifying the roles and responsibilities of Producers, Importers, Brand Owners, as well as regulatory bodies such as the Central Pollution Control Board, State Pollution Control Board or Pollution Control Committees, recyclers, and waste processors, aiming for the efficient execution of Extended Producer Responsibility.

### **Salient features**

- Carry bag made of virgin or recycled plastic, shall not be less than 75 microns in thickness till 31st December 2022 and after that 120 micron.
- Carry bags or plastic packaging made of recycled plastics may be used for Packaging food stuff as per the FSSAI Standard and Guideline
- Sachets using plastic material shall not be used for storing, packing, or selling guthka, tobacco, pan masala.
- Plastic sheet or like, which is not an integral part of multilayered packaging and cover made of plastic sheet used for packaging, wrapping the commodity shall not be less than fifty microns in thickness except where the thickness of such plastic sheets impair the functionality of the product.
- Producer, Brand Owner and Importers need to work out collection back mechanism for the equivalent quantity of plastic waste introduced by them in Indian market to meet their EPR obligation.
- Producer, brand owners, importer and PWP's need to get registered with State Pollution Control Board/committee or Central Pollution Control Board through CPCB's online portal (if operating in more than 2 states) unless their consent to operate will not get renew.
- Single use plastic (plastic sticks of ice cream, balloon, flags, ear buds, decorative items, spoon, forks, cup, glass, cutlery) will be phased out by July 2022.
- Any plastic packaging which cannot be recycled or used as alternate source of energy will be phased out.
- Multi-layered plastic packaging can be co-processed and used as alternate source of energy in waste to energy, cement kiln, road construction, pyrolysis, and gasification.
- Manufacturers of plastic shall not sell or provide raw materials to any unregistered producer/processor.
- Recycling of Plastic Waste shall be only as per the IS14534:1998
- Local Body would be responsible for establishing the infrastructure.

### **Extended Producer Responsibility (EPR) framework**

The Ministry released comprehensive guidelines on Extended Producer Responsibility (EPR) for plastic packaging in February 2022, delineating the duties of producers, importers, brand owners, recyclers, and waste processors in EPR implementation. The Plastic Waste Management (PWM) Rules, by means of EPR, assign responsibility to producers, importers, and brand owners (PIBOs).

### **Impact on packaging industry**

The EPR regulation is especially prominent to plastic packaging industry, as it puts the onus on plastic packaging waste generators, a broad classification which include plastic packaging manufacturers, brand owners, as well as importers of the product. EPR is applicable to rigid plastic packaging, flexible packaging, and other forms of plastic films.

The mandate to phase out single-use plastics, coupled with requirements for recycled plastic content, will compel the industry to innovate and shift towards eco-friendly materials. With this growing awareness and governmental push, the research on eco-friendly and sustainable packaging is steadily on the rise in the country. Sustainability has become a key focus area of many of the packaging solutions manufacturers.



## **Food Safety and Standards (Packaging) Regulations 2022**

In January 2019, the Food Safety and Standards Authority of India (FSSAI) announced new regulations in the domain of food packaging. The Food Safety and Standards (Packaging) Regulations 2022 replaces The Food Safety and Standards (Packaging) Regulations 2018 and 2011 which was regulating food packaging in India.

The new regulations lay out specific guidelines regarding the type of material that could be used for food packaging, the tolerable limit for contaminants in the packaging material, as well as quality compliance standards that must be maintained. In terms of quality standards, the packaging material should adhere to the Indian Standards (IS) listed in schedule I, II and III. In the earlier regulatory regime, this compliance to IS quality standard was not mandatory. While the 2018 regulations had categorically banned the usage of recycled packaging for food packaging in India, the 2022 amendment has made a way for the use of recycled plastic.

This new regulatory changes with respect to food packaging will have a direct impact on the packaging industry. The presence of well-defined guidelines would help Companies in improving their internal quality purposes to manufacture a product that adhere to the regulatory guidelines. So, it could be commented that the introduction of new regulations would help in improving the quality standards in overall packaging industry.

Furthermore, the tighter regulations would also lower the demand for low quality imports. There is a fair bit of flexible packaging materials being imported to India, a significant proportion from low-cost destinations, and of sub-standard quality. Tighter quality standards would discourage consumers from opting for those cheaper imports, thereby benefitting the domestic industry.

### ***Major trends shaping the Indian Packaging Industry***

The Indian packaging industry is experiencing a dynamic shift driven by evolving consumer preferences, technological advancements, and sustainability imperatives. With a burgeoning market and changing consumption patterns, stakeholders in the packaging sector are navigating a landscape characterized by innovation, efficiency, and environmental consciousness. As one of the fastest-growing sectors in India, packaging plays a pivotal role not only in safeguarding products but also in shaping consumer experiences and influencing purchasing decisions. The key trends that emerge are:

#### **Transition from traditional hard plastics to sustainable alternatives**

The packaging industry is undergoing a significant transformation as sustainability becomes a paramount concern for consumers and businesses alike. One of the most notable trends is the *gradual shift away from traditional hard plastics towards more sustainable and environmentally friendly alternatives*. This transition is driven by a combination of consumer demand for *eco-friendly products*, *increasing awareness of the environmental impact of plastics*, and *regulatory pressures to reduce single-use plastics*.

Hard plastics, particularly those derived from fossil fuels, have long been a staple in the packaging industry due to their durability and versatility. However, the environmental consequences of their production and disposal have raised concerns globally. These plastics contribute to pollution, take centuries to decompose, and harm marine life. In response to these issues, *the packaging industry is exploring and adopting alternative materials that are more sustainable and have a reduced environmental footprint*.

One key move in this shift is the development and utilization of bio-based packaging solution that include paper packaging products. Derived from renewable resources such as corn, sugarcane, or even algae, these materials offer a more sustainable alternative to traditional plastics. Paperboard packaging products have gained popularity as they are biodegradable, reducing the long-term environmental impact associated with traditional plastics. Companies are increasingly incorporating paper packaging into their packaging solutions, signalling a commitment to reducing their carbon footprint.

### **Focus on Recyclability and Circular Economy**

Another notable trend is the emphasis on recyclability and circular economy principles. Packaging designed for easy recycling is becoming a focal point for both manufacturers and consumers. Many companies are investing in research and development to create packaging materials that can be efficiently recycled and reintegrated into the production cycle. This approach helps minimize the amount of waste ending up in landfills and encourages a more sustainable, closed-loop system.

Furthermore, the packaging industry is exploring innovative materials like recyclable packaging products compostable plastics, paper packaging products. These materials break down into natural components when exposed to the right conditions, offering an environmentally friendly alternative to traditional plastics. Sustainable packaging solutions aligns with the growing interest in reducing waste and promoting a circular economy.

### **Other trends**

The packaging landscape encompasses a spectrum of trends and innovations tailored to meet diverse industry needs. While major shifts towards sustainability dominate headlines, several minor trends are also reshaping the packaging sector. From the resurgence of glass packaging in beverage sectors to the rising prominence of Tetra packs in dairy and juice products, the market reflects a nuanced approach towards materials selection.

Beyond materials, advancements in coding and marking technologies, alongside the adoption of aseptic packaging, underscore the industry's commitment to quality control and freshness preservation. Additionally, the surge in recyclable packaging materials and the emergence of innovative formats like vacuum packaging and modified atmosphere packaging highlight a multifaceted response to evolving consumer demands and environmental imperatives.

As the industry continues to evolve, driven by technology, consumer demands, and sustainability considerations, it is positioned for sustained growth. The move from traditional plastics to sustainable alternatives signals a collective commitment to environmental responsibility, driven by consumer demand, awareness, and regulatory pressures. Simultaneously, a focus on recyclability and circular economy principles propels the industry towards sustainable packaging solutions, with the rise of paper packaging product showcasing diverse application and sustainability. Beyond these major shifts, the packaging landscape reveals a tapestry of nuanced trends, from the resurgence of glass packaging to advancements in coding technologies and the exploration of innovative formats. The multitude of trends and innovations observed within the packaging industry reflects a dynamic landscape where adaptability, environmental consciousness and technological advancements are key drivers of success in crafting the packaging solutions of tomorrow.

### **Industrial Paper/ Paperboard Packaging Paper**

Paperboard is a heavyweight grade of paper which is generally thicker than 300 microns or weighs more than 250 grammage per sq.m (GSM). Grammage per square meter (GSM) indicates the thickness of the paper, i.e. higher the GSM thinner is the paper. The end usage of the board depends on its GSM. It is used for manufacturing packaging materials, primarily corrugated boxes but also folding cartons, bags, wrappers and paper cups. Following listed are different type of packaging paper with their key attributes and application:

Type	Brief
<b>Kraft Paper</b>	<p>Kraft Paper is classified as industrial paper and is widely used in manufacturing of corrugated boxes which are primarily used for packaging and find application in a wide range of industries such as FMCG consumer electronic, textiles, pharmaceutical, amongst others.</p> <p>It known for its strength, durability, and versatility. It is produced from wood pulp through the kraft process, which involves treating wood fibers with chemicals to enhance their strength.</p> <p>Kraft paper is characterized by its brown color and coarse texture.</p> <p><u>Key Attributes:</u></p> <ul style="list-style-type: none"> <li>• <b>Strength and Durability:</b> Kraft paper is recognized for its robustness, making it ideal for packaging materials that require strength and resilience.</li> <li>• <b>Versatility:</b> It is suitable for a wide range of applications, including packaging for heavy items, industrial products, and grocery bags.</li> <li>• <b>Eco-Friendly:</b> Kraft paper is often considered environmentally friendly as it is biodegradable and made from renewable resources.</li> </ul>
<b>Corrugated board</b>	<p>Corrugated board offer robustness and durability through a structure composed of interior liners, an exterior primer, and a fluted curved layer in the center. This design enables them to withstand significant pressure while maintaining their integrity. Commonly utilized as a transportation medium, corrugated board serves various packing needs, ensuring product safety, affordability, and eco-friendliness.</p> <p><u>Key Attributes:</u></p> <ul style="list-style-type: none"> <li>• <b>Structural Strength:</b> Corrugated board's unique composition provides exceptional strength, making it suitable for transporting items that require robust packaging.</li> <li>• <b>Affordability:</b> Known for its cost-effectiveness, corrugated board is an economical choice for various packing needs.</li> <li>• <b>Eco-Friendly Nature:</b> Corrugated board is environmentally friendly, aligning with sustainability goals, and is easily recyclable.</li> </ul>
<b>Cardboard Paper</b>	<p>Cardboard papers feature a construction typically consisting of a single layer of heavy-duty paper or paperboard. Unlike corrugated boxes, cardboard papers are notably thinner and lighter. Despite their lighter nature, they offer a range of qualities and firmness levels. Commonly used for packing compact and lightweight products, cardboard boxes are flexible and adaptable to various forms, making them suitable for items like cereals, perishable consumables, and small toys.</p> <p><u>Key Attributes:</u></p> <ul style="list-style-type: none"> <li>• <b>Single-Layer Construction:</b> Cardboard papers are crafted from a single layer of heavy-duty paper, providing a balance between strength and weight.</li> <li>• <b>Lightweight and Compact:</b> Ideal for packing small and lightweight products, offering ease of handling and transportation.</li> <li>• <b>Flexibility:</b> Cardboard boxes can be easily folded or curved, allowing for diverse shapes and accommodating the contours of the items they contain.</li> </ul>

<p><b>Duplex Board</b></p>	<p>Duplex board is a type of packaging material composed of two layers, typically with one side coated and the other uncoated. This dual-layer structure imparts a combination of strength and printability, making it suitable for various packaging applications.</p> <p><u>Key Attributes:</u></p> <ul style="list-style-type: none"> <li>• <b>Composite Structure:</b> Duplex board is characterized by its layered composition, providing a balance between strength and flexibility.</li> <li>• <b>Printing Capabilities:</b> The coated side of duplex board offers excellent printability, making it suitable for vibrant and detailed packaging designs.</li> <li>• <b>Versatility:</b> It is widely used for packaging consumer goods, pharmaceuticals, apparel, and various other products.</li> </ul>
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## Kraft Paper

Kraft paper is a type of paperboard / industrial paper which has high elasticity and high tear resistance properties, making it ideal for packaging applications. The name kraft refers to the pulping process used to manufacture the paperboard. 'BF' stands for Burst Factor which is extensively used to measure the bursting strength of kraft paper. It implicates to be indicative of the resistance of paper of Bursting Forces found in transit or in storage. Burst Factor equals Bursting Strength divided by grammage. Kraft paper with less than 35 BF are indicated as Kraft Paper Low BF, while the ones with higher than or equal to 35 BF are indicated as Kraft Paper High BF.

### *Major types of kraft paper*

- **Unbleached Kraft Paper:** Made from 100% unbleached pulp and is coarse in nature. Unbleached kraft paper include both virgin & recycled variants, black kraft paper, coloured kraft paper, steel interleaving kraft paper, electrotechnical kraft paper, and sack kraft paper, among others.
- **Bleached Kraft Paper:** Made from pulp which has been chemically bleached and is finer than unbleached paper. The bleaching process weakens the paper while improving the aesthetic appeal. Some of the commonly used bleached kraft paper include machine glazed, machine finished, smooth finished, clay coated kraft, laminated kraft, and medical grade kraft paper, among others. Some of the special types of kraft paper used.
- **Kraft Liner:** Kraft paper variant whose fibre content is not less than 80%. It is manufactured from bleached or unbleached sulphate pulp and has high strength & moisture resistance. Due to these properties, kraft liner is used as outer and/or intermediate ply in corrugated boards. It is made from virgin fibre and possess high resistance to tearing, and stress. Some of the commonly used kraft liners include White Top Kraft Liner, Brown Kraft Liner, and Virgin Kraft Liner Paper. Aong these White Top Kraft Liner is a two-ply paper, with top ply made from pure bleached hardwood and bottom ply from unbleached softwood fibre. White Top Kraft Liner has excellent printable properties, making it an ideal packaging paper for consumer durables, food & beverages, and high-quality printing.
- **Test Liner:** It is a 2-ply product made from recycled fibre and is used as intermediate ply in corrugated board. In terms of strength, test liner is inferior to kraft liner as the former has a higher recycled fibre content.
- **Fluted Paper:** It forms the middle part of corrugated board, i.e. the middle ply in a corrugated board. Normally, fluted paper is made from 100% recycled source. Hence a corrugated box comprises of three parts. The middle part is made of fluting paper while the top and bottom layer (outer and inner ply) is made from liner variant (kraft liner and test liner).

## ***Advantages of Kraft Paper***

Kraft paper offers several advantages across various industries and applications:

### **Strength and Durability**

- Kraft paper is known for its high tensile strength, making it suitable for packaging heavy items. It resists tearing and puncturing, ensuring the safe transportation of goods.

### **Versatility**

- It can be used for a wide range of applications such as packaging, wrapping, cushioning, interleaving, and as a void fill material. This versatility makes it a preferred choice in industries like food, retail, shipping, and manufacturing.

### **Environmentally Friendly**

- Kraft paper is made from natural fibers, primarily wood pulp from softwood trees like pine and spruce. It is biodegradable and recyclable, aligning with sustainable packaging practices and environmental regulations.

### **Customizability**

- Manufacturers can easily customize Kraft paper according to specific requirements. It can be coated, laminated, printed, or treated with additives for moisture resistance or enhanced strength.

### **Recyclability and Reusability**

- Kraft paper's recyclability promotes a circular economy where used paper can be processed and reused in the production of new paper products. This reduces waste and conserves resources.

### **Moisture Resistance**

- While uncoated Kraft paper is naturally porous, it can be treated or combined with other materials to enhance moisture resistance. This feature is crucial for packaging products sensitive to moisture damage.

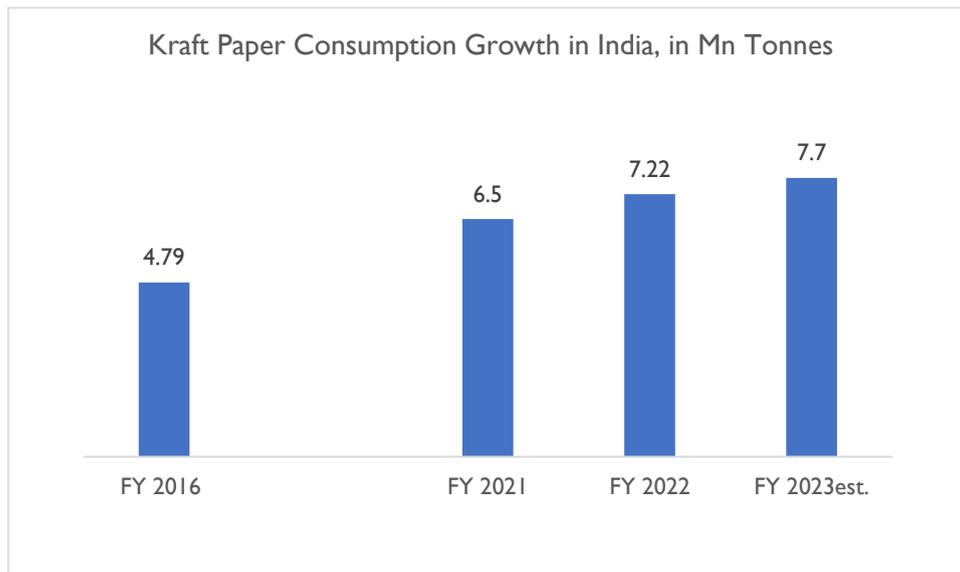
### **Shock Absorption**

- Due to its thickness and flexibility, Kraft paper provides effective shock absorption during shipping and handling, protecting fragile items from damage.

## ***Domestic Production-Consumption Growth Trend***

Kraft paper consumption in India has been increased significantly over FY 2016 – FY 2023 backed by increased demand from packaging industry. The packaging paper segment is witnessing a rise, with growing demand for packaging from e-commerce, food, and food products, FMCG and the pharmaceutical sector. While as per latest industry estimated, the annual kraft paper consumption was estimated to have grown to 9.91 Mn tonne in 2023<sup>3</sup>.

<sup>3</sup> <https://thepulpanpapertimes.com/news/india/new-capacities-in-indian-1005>



**Source: D&B Research and Estimates**

In terms of segmentation, Low BF kraft paper dominates the total kraft paper consumption volume which accounted for 80% share in FY 2022 while High BF paper accounted for the balance share.

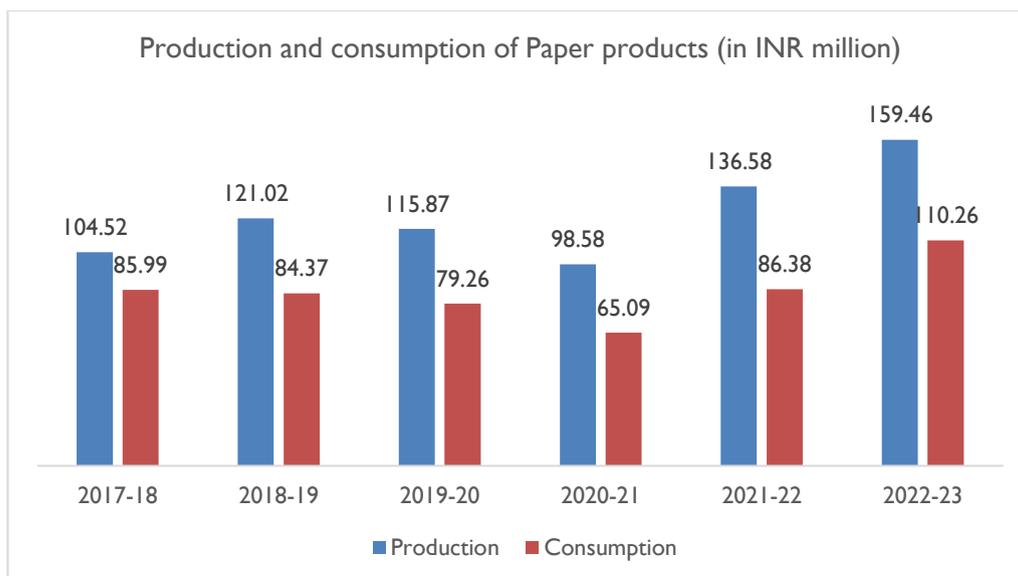
On supply side, the domestic production of Kraft paper is estimated at 13 million tonnes in FY 2023, indicating a situation of oversupply. According to Indian Pulp and Paper Technical Association, India’s paper industry, which is strongly based on the domestic market, is expected to witness a good growth in FY 2025. In the domestic scenario, the first six months of FY 2024 witnessed a good growth. This trend is expected to drive growth until FY 2025 due to the intact domestic market.

***Demand Scenario***

Kraft Paper uses span from packaging materials like corrugated boxes, bags, and wrapping paper to industrial products such as envelopes, cement sacks, and sandpaper. Additionally, Kraft paper is utilized in the creation of stationery items like notebooks, folders, and file covers. Its eco-friendly nature and robustness make it a preferred choice for packaging and manufacturing a wide range of products.

Some common varieties of kraft paper include white, printed, coloured, black, etc. They can be easily recycled, reused, and decomposed completely. As a result, kraft paper is widely utilized in numerous packaging applications, including envelopes, bags, sacks, composite cans, pouches, cartons, etc.

*The below chart depicts the production and consumption data of Paper products (including cardboard/corrugated boxes, rolls, boards, tubes and sleeves etc).*



**Source: CMIE, Industry Outlook**

The production and consumption of the paper products (including cardboard/corrugated boxes, rolls, boards, tubes, and sleeves etc) showed an increasing trend in FY 2018 and FY 2019. However, in FY 2021, both consumption and production dropped by 15% and 18% respectively. This drop comes from covid-19 lockdowns which led to a halt in all economic activities as well as a shift towards essential commodities by consumers.

However, the paper industry performed significantly better in term of both consumption and production in FY 2022 and FY 2023. In FY 2022, the industry recorded an increase of 39% in production value and 33% in consumption value. Opening of markets and rise in ecommerce purchasing led to a spiked demand for the same. This trend followed in to FY 2023, with increase in production to INR 159.46 million, and INR 110.26 million in consumption. Strong demand for hygienic products and sustainable packaging led to this continuous increase.

### **DEMAND DRIVERS**

Demand for industrial paper is closely linked to consumer demand pattern as its usage is primarily for packaging consumer products ranging from food products, garments, footwear, pharmaceuticals, and other consumer durable and non-durable products. Higher sales of consumer products that trigger consumer product packaging translate into demand for paperboards.

Uncoated Kraft Paper is classified as industrial paper and is widely used in manufacturing of corrugated boxes which are primarily used for packaging and find application in a wide range of industries such as FMCG consumer electronics, textiles, pharmaceutical, amongst others. Consequently, demand for corrugated products and Kraft paper is closely connected to the demand scenario prevalent in its key consumer segment.

### **Expanding utilization in the E-Commerce Industry**

The rapid expansion of e-commerce in India has profoundly influenced the packaging industry, particularly the demand for Kraft paper. This growth has led to an increased requirement for robust and sustainable packaging materials to ensure the safe delivery of products to consumers. Kraft paper, known for its durability and eco-friendly properties, has emerged as a preferred choice for packaging a diverse range of products, spanning from electronics and appliances to apparel and groceries.

Furthermore, the rise of direct-to-consumer (D2C) and business-to-business (B2B) e-commerce segments has further bolstered the demand for Kraft paper. D2C brands prioritize environmentally friendly packaging solutions, aligning with consumer preferences and sustainability goals. This preference has contributed to the adoption of Kraft paper due to its recyclable and biodegradable nature.



The escalating Gross Merchandise Value (GMV) of e-commerce in India, reaching USD 60 billion in FY23 and projected to exceed USD 350 billion by 2030, shows the growing need for packaging materials like Kraft paper. This growth is particularly pronounced in sectors such as grocery and fashion/apparel, where efficient and sustainable packaging solutions are crucial for delivering perishable goods and apparel securely.

Thus, the robust growth of e-commerce in India, combined with a shift towards sustainable packaging practices, has significantly driven the demand for Kraft paper in the packaging industry. This trend is expected to persist as the e-commerce market continues to expand, highlighting the importance of Kraft paper in meeting the packaging needs of online retailers across various product categories.

### **Growth in FMCG Sector**

The robust growth of India's FMCG sector, evidenced by a 7.5% volume increase in the April-June 2023 quarter, highlights the industry's expansion and its consequent demand for Kraft paper. This growth, driven by consumer-driven trends and rising product prices, particularly in essential goods, has been a key driver of increased packaging needs. With the FMCG sector accounting for 50% of sales in India and household and personal care products playing a significant role, there is a growing requirement for efficient and sustainable packaging solutions like Kraft paper.

Moreover, the advent of online retail and e-commerce has further accelerated the demand for Kraft paper within the FMCG sector. These platforms have provided FMCG businesses with unparalleled opportunities to market and sell their products nationwide, often with minimal investments in traditional marketing activities. As a result, the need for sturdy, customizable, and eco-friendly packaging solutions like Kraft paper has become increasingly pronounced, aligning with both consumer preferences and industry sustainability goals.

In tandem with the FMCG sector's sustained growth and its strategic pivot towards online channels, the demand for Kraft paper is expected to continue its upward trajectory.

### **Rise in demand from food and beverage industry**

As per the published reports, the food and beverage industry in India is becoming more and more profitable. The growth of food and beverage driven from various factors such as expanding urbanization, the changing eating and living patterns of the millennial population, rising household spending rates, etc. Paper packaging is in greater demand in the food and beverage industry due to its ease of recycling, potential to reduce air pollution, and ability to clean the environment.

Kraft paper's strength, durability, and eco-friendly nature make it an ideal choice for packaging in the F&B sector. In the food segment, Kraft paper is used for packaging items such as grocery bags, food containers, takeaway packaging, and disposable tableware. These packaging solutions not only ensure product safety and hygiene but also align with the increasing consumer preference for sustainable and biodegradable packaging materials. Moreover, in the beverage industry, Kraft paper is utilized for packaging bottles, cartons, and containers for juices, dairy products, soft drinks, and alcoholic beverages. The robustness of Kraft paper helps protect these beverages during storage, transportation, and handling, maintaining their quality and freshness.

The shift towards eco-friendly packaging solutions in the F&B industry is driven by both consumer demand and regulatory initiatives promoting sustainability. With consumers becoming more environmentally conscious, businesses in the F&B sector are embracing Kraft paper packaging to reduce their carbon footprint and meet regulatory requirements related to waste management and environmental protection.

Furthermore, the rapid expansion of retail outlets, supermarkets, and online grocery platforms in India has amplified the demand for Kraft paper packaging. The convenience and reliability of Kraft paper packaging make it a preferred choice for packaging F&B products, especially for home deliveries and online orders.

### Growth in Pharma sector

The Indian pharmaceutical industry experienced robust annual revenue turnover growth between FY 2015-21, with an 8% Compound Annual Growth Rate (CAGR) driven by strong domestic and export demands. However, the onset of the Covid-19 pandemic had a dampening effect on revenue growth in FY 2022, particularly impacting export revenue. Despite these challenges, pharmaceutical exports in FY 2022 remained steady at USD 24.62 billion, maintaining a close alignment with the previous year's figures.

Moving forward into FY 2023, India witnessed a notable increase in pharmaceutical exports, reaching nearly USD 25.39 billion. Over the period from FY18 to FY23, the Indian pharmaceutical industry displayed resilience with a CAGR ranging from 6-8%, driven by an 8% surge in exports and a 6% uptick in the domestic market.

With the momentum of this growth and anticipated developments, the pharmaceutical industry's annual revenue turnover is projected to reach USD 130 billion by 2030 from estimated USD 65 billion in 2024. As the sector expands, there will be a greater need for packaging solutions for pharmaceutical products.

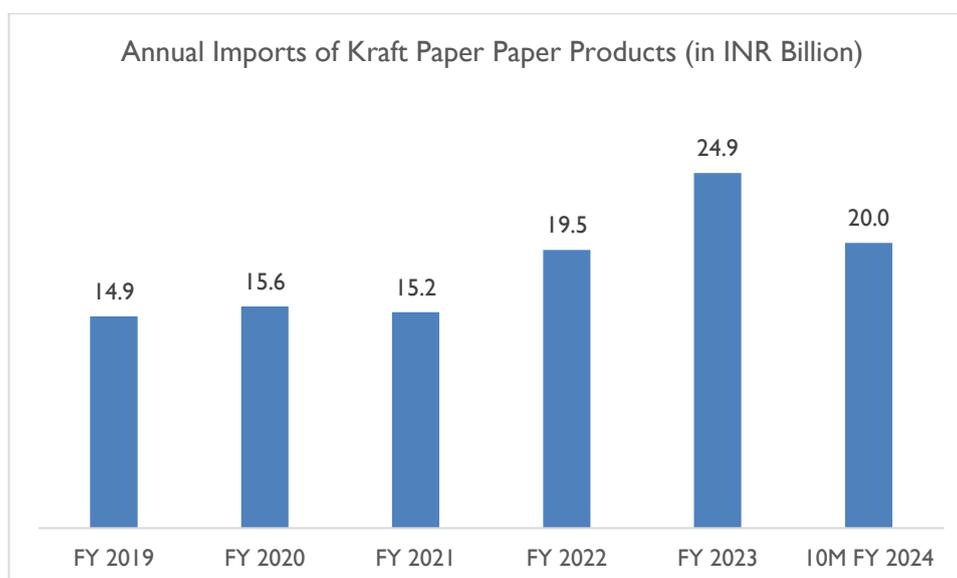
### Go Green Initiative

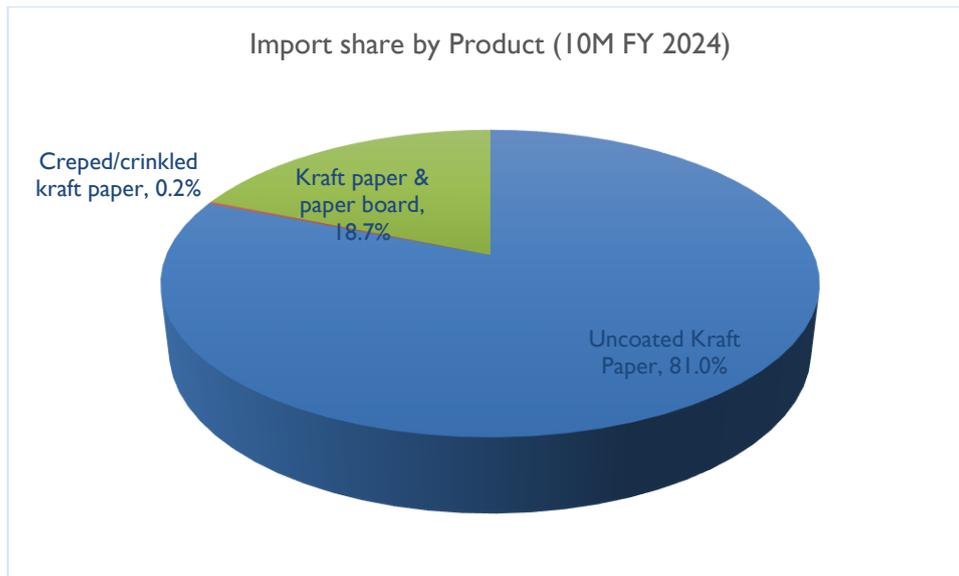
Paper is eco-friendly, renewable, recyclable, and biodegradable in nature. Considering, growing awareness about adverse impact of plastics on the environment and human health, it is likely to replace plastic bags for packaging. Kraft paper's strength, eco-friendly nature, and suitability for international standards make it a preferred choice, particularly for export-oriented companies. This trend will drive a sustained rise in its demand across the industrial sector.

### FOREIGN TRADE SCENARIO IMPORTS

India is a net importer of Kraft paper. In FY 2023 approximately, INR 24.9 Bn worth of Kraft paper was imported to India, as against as against INR 14.9 Bn in FY 2019, recording a CAGR of 14% between FY 2019 – FY 2023 period. The value of imports grew significantly by 29% in FY 2022 and further increased by 28% in FY 2023.

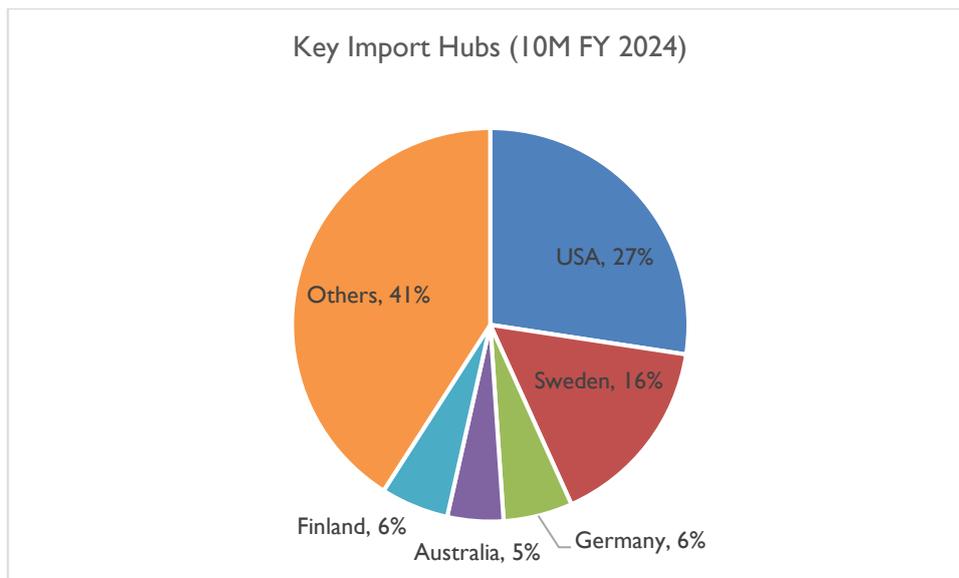
FY 2024 recorded imports of paper products worth INR 20 Bn in the first ten months of the year.





**Source: DGCI&S**

Uncoated paper accounts 81% to the total kraft paper and paper products imports to India during the 10 FY 2024, with varieties of kraft paper and paper board accounting for a share of 18.7%. Creped/crinkled kraft paper had a mere share of 0.2% in the overall imports of kraft papers in 10 FY 2024.



**Source: DGCI&S**

In the first 10 months of FY 2024, USA had for the largest share of imports, accounting for 27% of the total exports of the kraft paper. This was followed by Sweden (16%), Germany (6%), Finland (6%) and Australia (5%).

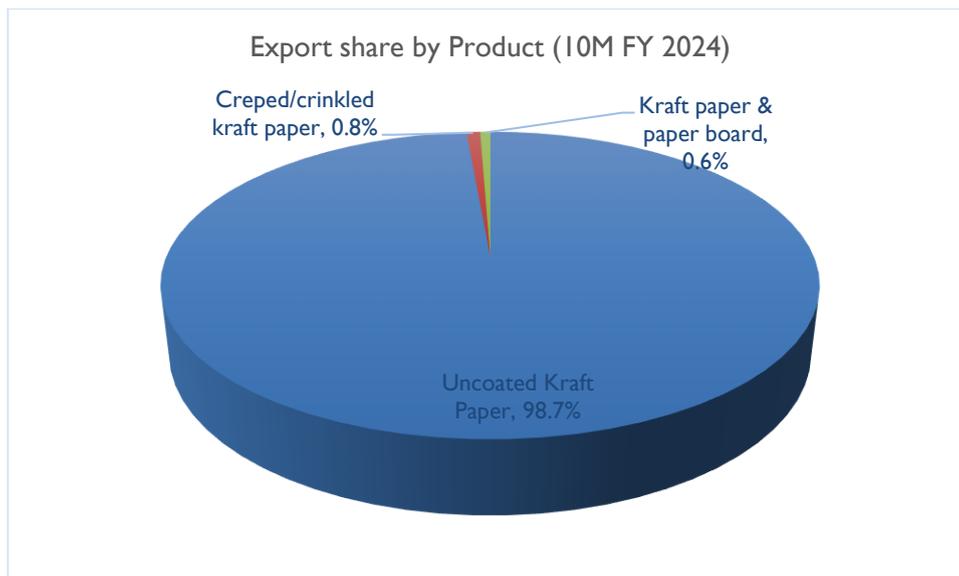
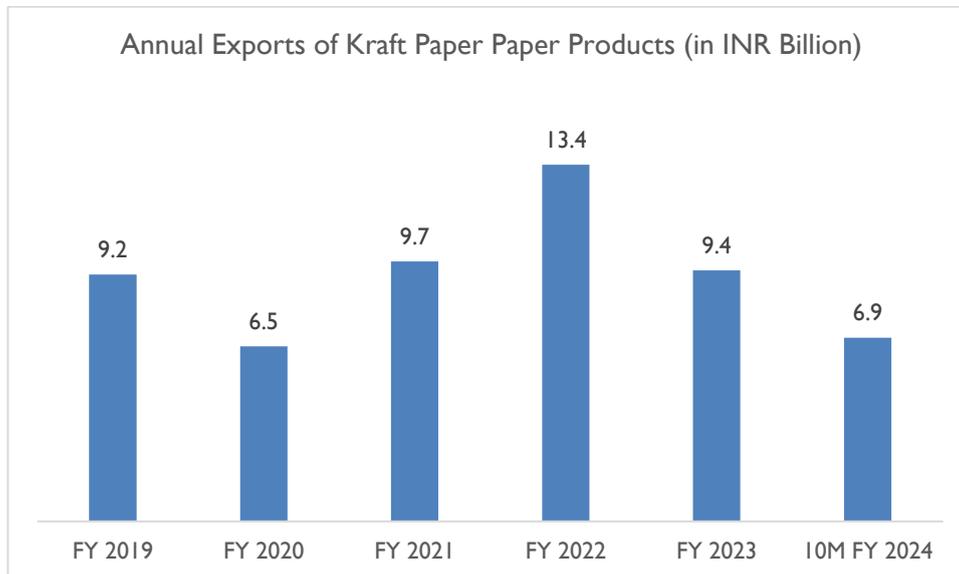
Together, these top five countries were collectively responsible for 59% of the total imports in 10M FY 2024.

### **Exports**

The value of Kraft paper and paper products exported from India stood at INR 9.4 Bn in FY 2023, observing a decline of 30% over the previous fiscal. In FY 2021 and FY 2022, the industry had recorded a growth of 49% and 37% respectively on the back of increased demand from e-commerce companies.

The decline in FY 2023 could be attributed to the Russia-Ukraine war, and recessionary conditions in the global economy.

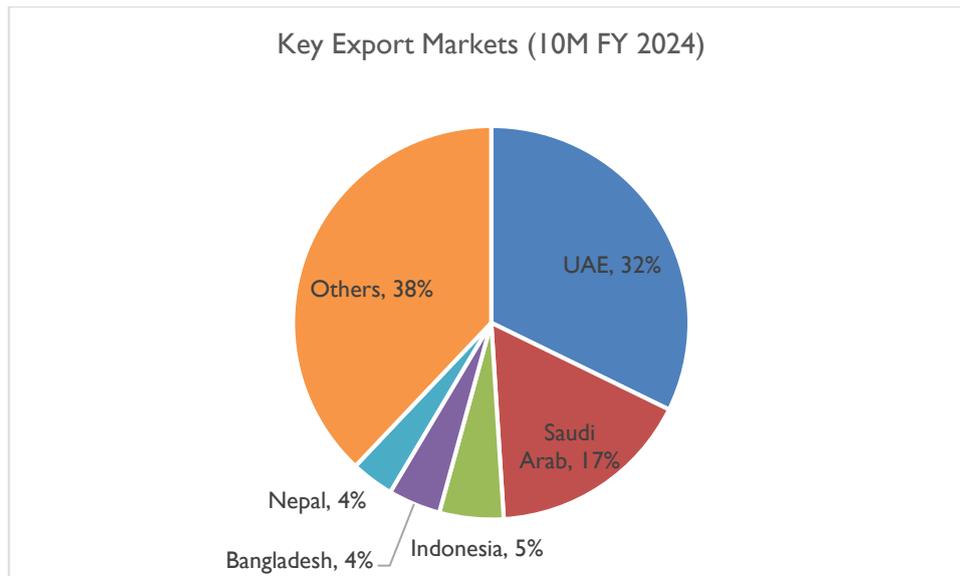
Between FY 2019 – FY 2023, exports of Kraft paper and paper products from India increased at a CAGR of 0.6%. In the first 10 months of the FY 2024 discal, the industry recoded exports worth INR 6.9 Bn.



**Source: DGCI&S**

Out of the total value of uncoated kraft paper and paper products exported from India during 10M FY 2024 period, uncoated kraft paper accounts major portion to the total exports, standing at 98.7% share. The remaining share was taken up by Creped/crinkled kraft paper (0.8%) and varieties of kraft paper and paper board accounting for a share of 0.6%.

The major countries contributed to the total export of Kraft paper were UAE (32%), Saudi Arab (17%), Indonesia (5%), Bangladesh (4%), and Nepal (4). Together, these top 5 five countries accounted for 62% of the total exports of kraft paper from India.



**Source: DGCI&S**

### ***Regulatory Scenario***

Paper Industry in India is a key segment of the manufacturing economy with annual turnover of INR 70,000 Crs and Market size of INR 80,000 Crores.

Acknowledging its importance, Indian paper industry has been considered as one of the priority sectors. Hence, the Government of India is consistently taking steps to bring the tariffs in line with the ASEAN members. Paper pulp, paper, paperboard and newsprint industries have been de-licensed.

Up to 100% Foreign Direct Investment (FDI) is allowed in paper and pulp sector, through automatic route on all activities except those requiring an industrial license from location angle i.e. the project should not be located within 25 km from the periphery of a city with 1 million inhabitants or more.

Currently, Indian paper & paper product industry is extremely fragmented with numerous players in the small and medium sector. There is a lack of comprehensive regulations on quality compliance, emission standards, as well as manufacturing practices.

### **Guidelines on Import of non-paper materials in wastepaper**

The Ministry of Environment, Forest and Climate Change has revised the guidelines and specifications for non-paper materials in wastepaper consignments imported into India from other countries in Janu 2023. These revisions supersede the previous guidelines outlined in an earlier memorandum issued in 2010. The key points of the revised guidelines are as follows:

- Imported paper wastes should only be intended for recovery or manufacturing purposes at paper-manufacturing units and not for resale.
- Importers are responsible for ensuring that all recyclable materials are recycled and not disposed of improperly. This includes recycling or co-processing in cement kilns or waste-to-energy plants.
- The quantity of non-paper materials in wastepaper consignments should not exceed specified limits, and there should be no putrefiable organic matter present.
- Imported wastepaper must be accompanied by a certificate of origin indicating the foreign facility of origin, waste collection method (single stream or dual stream), and a credible pre-shipment inspection report based on a bale-break report.
- Importers must obtain a quarterly certificate from State Pollution Control Boards (SPCBs) confirming the proper disposal of non-paper waste from previous imports, especially plastics sent to waste-to-energy plants or cement kilns. This certificate is mandatory for customs clearance.



- Any imported container found to have contaminants exceeding specified limits must either be sent back to the exporting country at the importer's cost or subject to a 25% penalty of the container's value. The material in such containers may be processed in waste-to-energy plants or cement kilns under SPCB/PCC supervision.
- Customs authorities must verify the contents of paper waste in each imported consignment to ensure compliance with these guidelines.

These revised guidelines aim to regulate and ensure the proper management and disposal of non-paper materials in wastepaper consignments, emphasizing environmental sustainability and responsible waste management practices in the paper industry.

### **Paper Import Monitoring System (PIMS)**

The Directorate General of Foreign Trade (DGFT) has implemented the Paper Import Monitoring System (PIMS) by revising the import policy of major paper products from 'Free' to 'Free subject to compulsory registration under PIMS.' This system was effective from October 1, 2022, with online registration started from July 15, 2022. PIMS applies to a wide range of paper products across 201 tariff lines, excluding certain items like currency paper and security printing paper.

Importers are required to obtain an automatic registration number through online registration by paying a fee of Rs. 500. However, imports of samples with a value of Rs. 10,000 or less are exempt from mandatory registration under PIMS. This number remains valid for 75 days, allowing multiple consignments within that period. Units in Special Economic Zones (SEZs), Free Trading Warehousing Zones (FTWZs), or Export Oriented Units (EOUs) must also register under PIMS, except when no processing occurs, and the item is directly cleared to the Domestic Territory Area (DTA).

The introduction of PIMS aims to regulate imports, prevent under-invoicing and mis-declarations, and promote domestic manufacturing under initiatives like 'Make in India' and 'Atmanirbhar.' The move is aimed at curtailing dumping of paper into the country so that domestic players could get pricing stability.

### **Sub-Mission on Agroforestry**

The Sub-Mission on Agroforestry (Har Medh Par Ped) Scheme, initiated in 2016-17, represents a strategic endeavour by the Indian government to promote the integration of tree planting with agricultural activities. The primary goal of this scheme is to empower farmers by diversifying their income sources through tree cultivation alongside traditional crops. This initiative not only aims to bolster farmers' economic well-being but also enhances the ecological resilience of agricultural systems, making them more adaptable to climate fluctuations and environmental challenges.

Implemented across 20 states and 2 union territories in India, the scheme operates with varying funding patterns, emphasizing collaboration between the central and state governments. In most states, the funding ratio stands at 60:40, while in northeastern and hilly states, it shifts to 90:10, and in union territories and national-level agencies, it becomes 100%. This differential funding structure reflects the nuanced regional priorities and challenges associated with agroforestry implementation.

Under the ambit of the scheme, farmers receive essential support from state governments for activities such as nursery development, boundary plantation, and block plantation of select tree species. These species encompass a wide range, including fruits, oilseeds, medicinal plants, and timber trees. The deliberate choice of these species aims to promote biodiversity, generate early returns for farmers, and foster sustainable land management practices.

Linking this scheme to the Indian paper industry unveils a crucial symbiotic relationship. Despite not being inherently reliant on forests, the Indian paper industry has deep roots in agro and farm forestry. More than 90% of its wood requirements are met through industry-driven agroforestry initiatives, highlighting a proactive stance towards sustainable resource management. This approach ensures that the paper industry remains wood-positive, actively contributing to tree planting initiatives that exceed its harvesting activities.



One of the significant contributions of the paper industry to agroforestry lies in its pioneering efforts in developing high-quality tree clonal saplings. These saplings, resistant to diseases and droughts, are tailored to thrive in diverse agro-climatic conditions. Additionally, the industry invests substantially in research and development, quality sapling production, and technical extension services to support farmers in adopting and maintaining agroforestry practices.

Moreover, the paper industry's engagement with marginal and small-scale farmers plays a transformative role in rural economies. By incentivizing farmers to grow trees as a crop (referred to as trees-outside-forests or TOFs), the industry creates economic opportunities and contributes to land utilization in marginal and sub-marginal areas that may not be suitable for traditional agriculture. This symbiosis not only supports the paper industry's raw material needs but also fosters rural livelihoods and environmental sustainability.

This scheme significantly benefits the Indian paper industry by ensuring a sustainable and reliable supply of raw materials. Through the promotion of agro and farm forestry practices, the scheme encourages farmers to cultivate tree species that are crucial for the paper industry. This strategic approach not only reduces dependency on traditional forests but also ensures a consistent and quality supply of wood, contributing to the industry's operational stability and environmental sustainability. Additionally, the scheme fosters a symbiotic relationship between the paper industry and rural communities, creating economic opportunities, promoting rural development, and reinforcing the industry's commitment to responsible resource management.

### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016**

The rules and regulations regarding hazardous and other wastes, as outlined by the Ministry of Environment, Forest and Climate Change, have significant implications for the paper industry in India. These rules, known as the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, are designed to ensure the safe and environmentally sound management of such wastes. Some key points relevant to the paper industry include:

- **Responsibilities of Occupiers:** Occupiers in the paper industry are required to follow steps such as prevention, minimization, reuse, recycling, recovery, utilisation including co-processing, and safe disposal of hazardous and other wastes generated during their operations.
- **Authorisation:** Occupiers must obtain authorisation from the State Pollution Control Board for managing hazardous and other wastes. This authorisation is granted based on factors like technical capabilities, equipment compliance, and adherence to standard operating procedures or guidelines.
- **Storage:** Hazardous and other wastes can be stored for a limited period, not exceeding ninety days, with extensions possible under specific circumstances such as small generators, actual users, or for waste requiring storage for process development.
- **Utilisation:** Utilisation of hazardous and other wastes as a resource or after pre-processing, including co-processing, requires authorisation from the State Pollution Control Board. Standard operating procedures or guidelines provided by the Central Pollution Control Board must be followed for such utilisation.
- **Regulatory Oversight:** The State Pollution Control Board has the authority to suspend or cancel authorizations if an occupier fails to comply with conditions or provisions outlined in the rules. The Board also oversees the storage, management, and utilization of hazardous and other wastes to ensure environmental safety and compliance with standards.

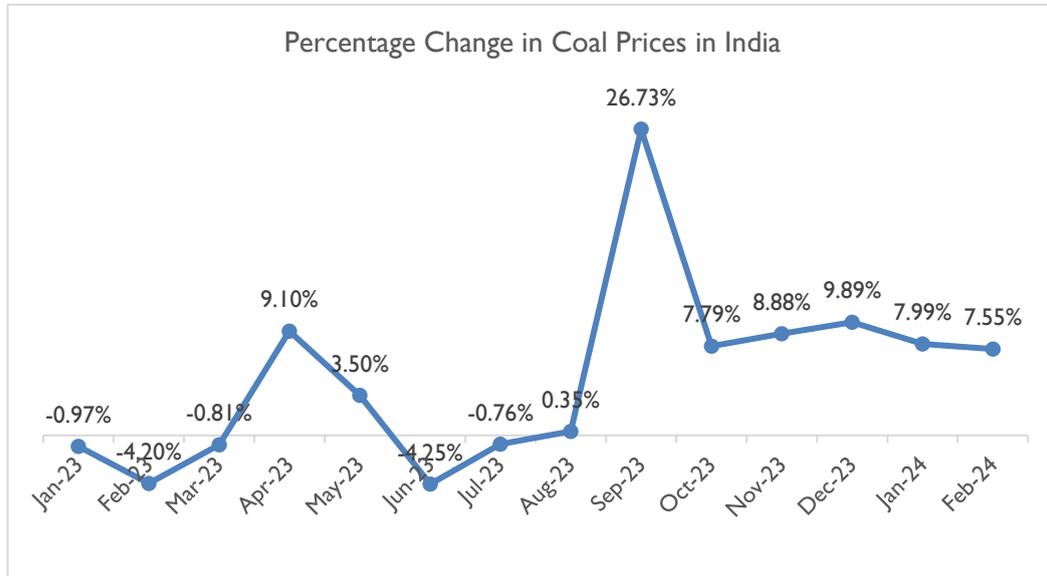
**These regulations are crucial for the paper industry to manage and dispose of hazardous and other wastes in an environmentally responsible manner, aligning with national and international guidelines for waste management and transboundary movement.**

### ***Major Challenges faced by Indian Paper Industry***

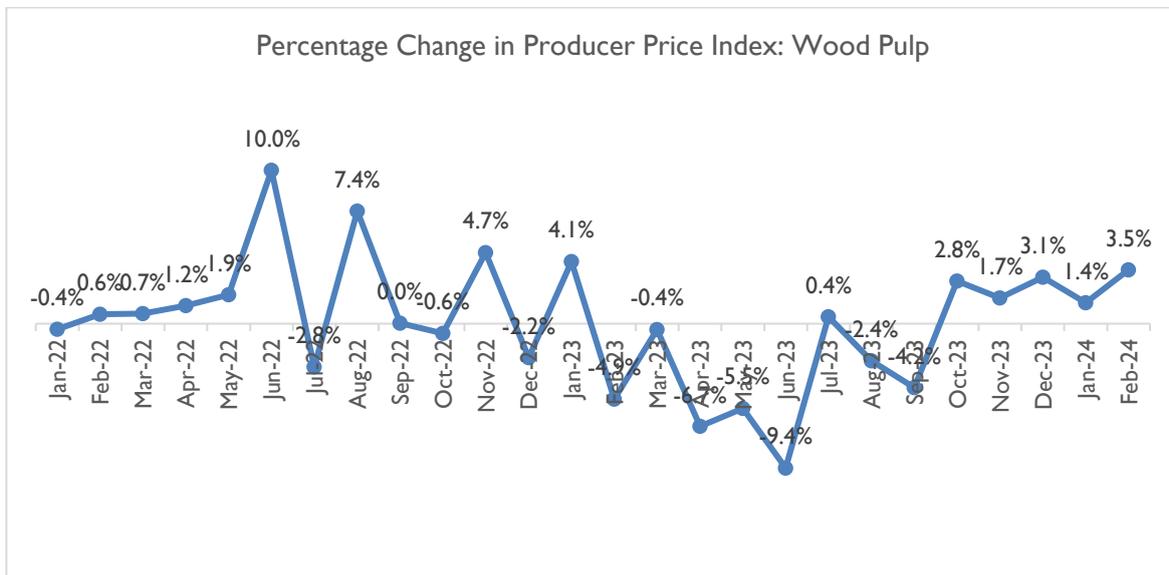
The major challenges faced by Indian paper industry is availability of raw materials. Inadequate raw material availability domestically is a major constraint for the paper industry. As per IPMA, over 90% of

wood demand met through industry driven agro/farm forestry (1.2 million hectares); rest through Government sources and other sources. Current demand for pulpable wood by paper industry is estimated at 14 million tonnes per annum (TPA) while domestic availability is 9 – 10 million TPA.

In addition to this, rising prices of raw materials and power sources are also creating challenges in the industry. Prices of Coal, one of the major sources of energy for paper mills, have also been on the rise, with a large hike in September 2023, of nearly 27%. Similarly, PPI for wood pulp has also experienced several increases in prices, leading to increased cost and low margins for the paper mills in India.



Source: Industry Sources



Source: Federal Reserve Bank of St. Louis

Another major concern is foreign currency fluctuations as majority of the paper mills are meeting their raw material requirement through import imports. Any sharp fluctuations in the foreign currency would directly impact the operating margin of the players who imports more as compared to domestic consumption. Rising freight rates, increasing coal, chemicals and other inputs rates is another key area of concern in this industry.

Further, another challenge faced by the paper industry is the constant need for technological upgradation. The industry requires ongoing investment in modern machinery, equipment, and processes to enhance

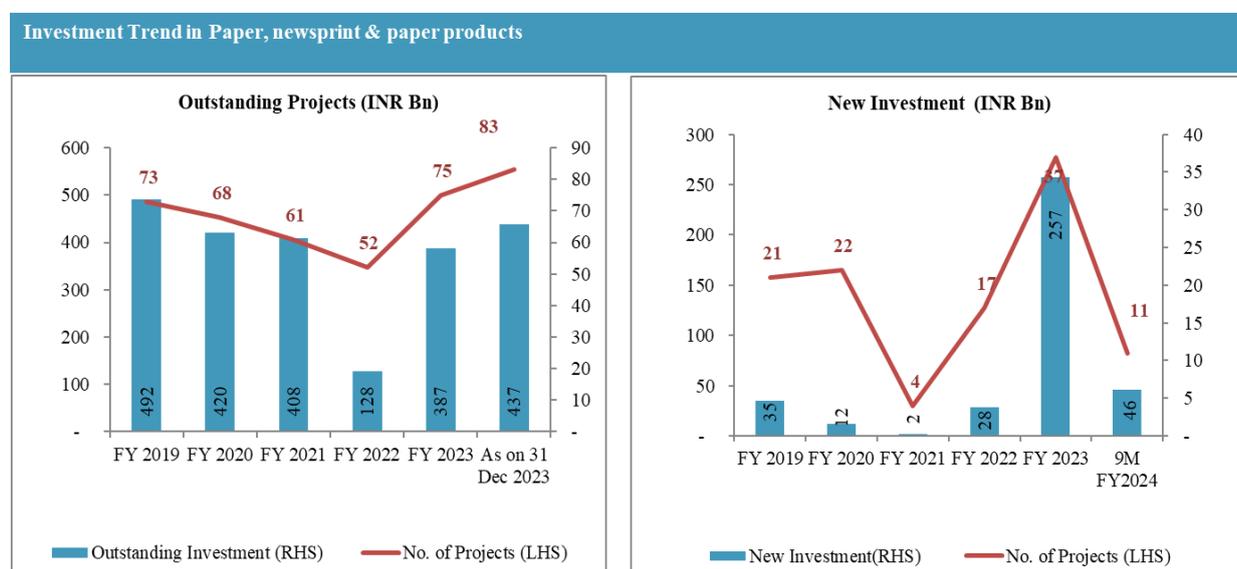
operational efficiency, improve product quality, and maintain cost competitiveness. This includes adopting advanced manufacturing technologies such as automation, digitization, and data analytics to streamline production processes, optimize resource utilization, and reduce waste generation. Additionally, advancements in papermaking techniques, such as eco-friendly pulping methods and energy-efficient production processes, are essential to meet sustainability goals and regulatory requirements. However, the cost of technology adoption and upgradation can be significant, especially for smaller and medium-sized paper mills, posing a barrier to their competitiveness and long-term viability in the market.

The growth and long-term viability of the paper industry are significantly impacted by emerging environmental challenges. The sector faces substantial environmental risks related to air, water, and land pollution. One of the primary concerns is the significant contribution of discarded paper and paperboard to solid municipal waste in landfills, highlighting the industry's role in waste management issues. Moreover, the production processes involved in manufacturing pulp and paper result in notable emissions into the air, water, and land, further exacerbating environmental impact. As a result, companies operating in this industry must consistently adhere to stringent environmental standards and regulatory compliances. This includes implementing measures to minimize pollution, reduce waste generation, and adopt sustainable practices throughout their operations. Failure to meet these environmental obligations not only poses risks to the environment but also affects the industry's reputation, market competitiveness, and ability to sustain growth in the long run. Therefore, addressing these environmental challenges is crucial for ensuring the growth and sustainability of the paper industry while minimizing its environmental footprint.

### Upcoming Projects in the Industry

As per the data from CMIE, the new projects announced in Paper, Newsprint & Paper Products Industry during 2022-2023 was to the tune of INR 257 billion for 37 mills. This was significantly higher as compared to the last year, with only INR 28 billion and 17 mills.

As on December 31<sup>st</sup>, 2023, the outstanding investment in Paper, Newsprint & Paper Products Industry was INR 437 billion.



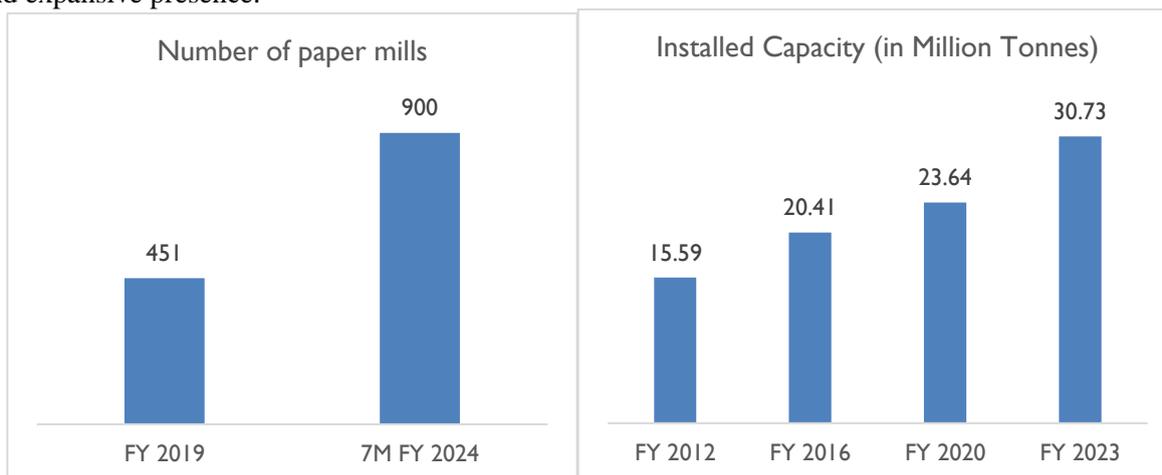
In the Kraft paper industry, there are several new projects announced within the past couple of years. Below are the projects announced/under implementation/ commenced in Kraft Paper industry.

Entity/Companies	Project Detail	Investment (INR)	Status
Amrit Group	The company has now diversified into manufacturing Premium Quality Kraft papers at Dist- Dhar, Madhya Pradesh. The machine is equipped with deckle of 4.25 meter and a production capacity of 350 TPD.	1700 Mn	Commercial operation May 2023
A N S Paper Mills Pvt Ltd	Mastenahalli Kraft Paper Manufacturing Unit located in Chikkaballapura, Karnataka.	1050 Mn	Announced in June 2022
Purbanchal Paper Mill LLP	The company LLP is going to come up with a kraft paper manufacturing plant with an installed capacity of 150 TPD. Located near the upcoming Multi Modal Logistics Park, Purbanchal Paper Mill would be manufacturing kraft paper. In phase 2, the company intends to expand its capacity from 150 TPD to 225 TPD.	800 Mn	Announced April 2022
<i>Skywin Paper Industries</i>	The company start producing kraft paper with a total installed capacity of 65,700 Metric Tons per day at its facility in Bhuvasan, Ta. Bardoli, Dist. Surat, Gujarat.	NA	Commercial output September 2022
Ruchira Paper Ltd	Jattawalla & Johron Kraft Paper, Cup Stock Paper Plant Expansion Project. The projects are located in Himachal Pradesh. The proposed capacity for kraft paper under this projects is 65.20 '000 tonnes and for Cups 36.30 '000 tonnes p.a.	427.2 Mn	Announced in December 2021
Shree Banshi Luxmi Industries Pvt Ltd	Somanathpur Kraft Paper Unit Project. The project is located in Baleshwar, Odisha. The proposed capacity of this project is 300 tonnes/day.	1200 Mn	Announced in December 2021
Spino Paper & Boards Pvt Ltd	Banki Kraft Paper and Duplex Board Manufacturing Unit Project. This project located in Cuttack, Odisha with proposed installed capacity of 66138 tonnes p.a.	561.7 Mn	Announced in March 2022
B & B Triplewall Containers Ltd	Bargur Industrial Park (Sipcot) Kraft Paper Manufacturing Plant Project. The project is located in Thiruvallur, Tamil	1000 Mn	Under Implementation

	Nadu with proposed capacity of the this project is 99000 tonnes.	
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### Competitive Landscape

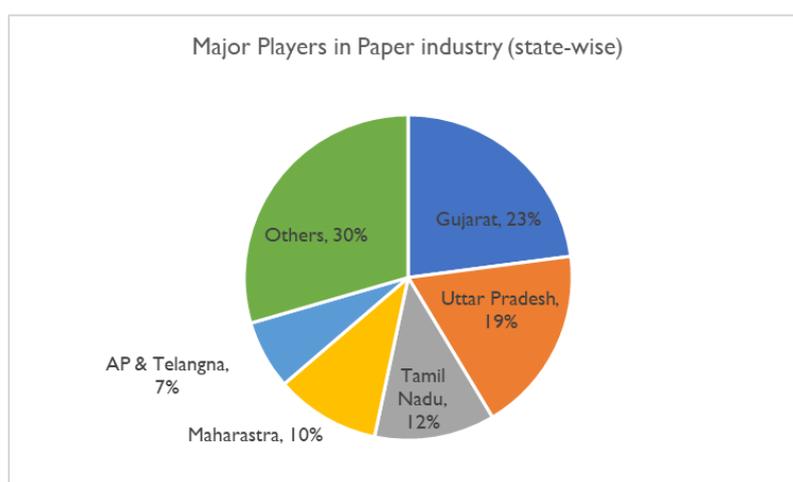
The Indian paper industry is highly fragmented with several organized and unorganized players. Especially, in the Kraft paper segment, the competition is intense. Consequently, players have limited pricing flexibility. According to industry sources, the paper industry has nearly 900 paper mills, of which 553 are operational. Approximately 43 large units account for 30% of the total paper production and balance units mostly comprising of medium and small paper mills with production share of 70%. The collective installed capacity stands at an estimated 30.73 million tonnes, portraying the industry's robust and expansive presence.



Source: Indian Pulp & Paper Technical Association, D&B Research

There have been few moves of consolidation within the sector, but Indian paper industry remains largely a fragmented sector. It consists of small, medium and large paper mills, having production ranging from 5 to 2000 tonnes per day. Only 25 odd mills have production capacity of 50,000 tonnes per annum.

The major players of the industry are located in Andhra Pradesh, Tamil Nadu, Maharashtra, Punjab, Madhya Pradesh and Gujarat. In terms of share, Gujarat tops with 23% of the total mills, followed by U.P (19%), Tamil Nadu (12%), Maharashtra (10%) and AP & Telangana (7%).



Source: Indian Pulp & Paper Technical Association



The location of paper mill is governed by a multitude of factors such as the availability of fibrous raw material, water, coal, local market and the favourable state policies. The end-users generally procure corrugated boxes from the vicinity to cut on the cost of transportation.

Like the broader paper industry, Kraft paper manufacturing industry in India too is fragmented. The industry is dominated by small and medium size manufacturing units, the fragmented nature could be attributed to the low entry barrier in the segment.

### Key Players

Company Name	Brief
<b>Paswara Papers Limited</b>	Part of Paswara Group, the Company is one of the leading manufacturers of multi-layer Kraft paper in India. The Company was established in 1980 and currently manufactures all major types of Kraft paper, including Kraft liner, test liner, fluting medium paper, and specialty paper. The company's present capacity is 1,25,000 MT for Multi-Layer Kraft Paper and 40,000 MT for M.G Kraft Paper & Kraft Board.
<b>Genus Paper &amp; Boards Limited</b>	The Company, part of Kailash Group of Companies, manufactures waste paper based multi-layer Kraft paper. Based in Uttar Pradesh, the Company has an installed capacity of 2,18,000 MTPA for kraft paper, 1,00,000 MTPA for duplex paper, and 48,000 MTPA for writing & printing paper, making it one of the largest players in Indian Kraft paper industry. GPBL has incorporated a wholly owned subsidiary named Genus Paper and coke Limited (GPCL) (formerly known as Kailash Paper and Coke Limited) on July 23, 2020. GPCL is engaged in manufacturing of met coke with an installed capacity of 96,000 MTPA at its plant located in Gujarat.
<b>Ruchira Papers Limited</b>	The Company established in 1980 manufacturers Kraft paper as well as writing & printing paper. The manufacturing plant of the Company is located in Himachal Pradesh. As of FY 2023, the Company has a total manufacturing capacity of 91,800 MTPA of kraft paper and 60,000 MTPA of writing and printing paper
<b>Shree Ajit Pulp and Paper Limited</b>	Incorporated as a Private Limited Company on 23/03/1995 and converted to Public Limited Company on 13/11/1995, the firm started its journey of manufacturing quality kraft paper in 1997. The company now manufactures different varieties of kraft paper, which find application in the packaging industry, particularly in manufacturing corrugated boxes. The company's production facility is in Vapi, Gujarat, with an installed manufacturing capacity of 120,000 metric tons per annum (MTPA).

### Financial Analysis

Year	Raw Material Cost	Power & Fuel	Salaries & Wages	SGA Expenses	Interest Expense	PBDIT Margin	Net Margin
FY 2019	77.3%	1.2%	3.2%	3.9%	1.5%	7.9%	3.3%
FY 2020	75.8%	1.4%	3.7%	4.6%	1.5%	7.9%	3.6%
FY 2021	72.2%	1.3%	3.6%	4.1%	1.0%	8.5%	4.1%
FY 2022	77.9%	1.3%	2.6%	4.1%	0.5%	7.9%	4.5%
FY 2023	76.8%	1.3%	2.5%	4.5%	0.4%	8.3%	5.0%

**Source: CMIE Prowess IQ, Dun & Bradstreet Research, Based on a Sample of 23 Companies**

Consolidated net sales of the sample companies displayed a healthy CAGR of 12.4% between FY 2019 - FY 2023 on the back of improved market sentiments. FY 2022 showed a remarkable annual increase of 48%, with FY 2023 furthering the growth by 8%.

Raw materials make up the largest share of expenses, accounting for around 72-78% of the net sales. Raw material for paper and paper products is wood pulp. The raw material expenses as percentage of sales has

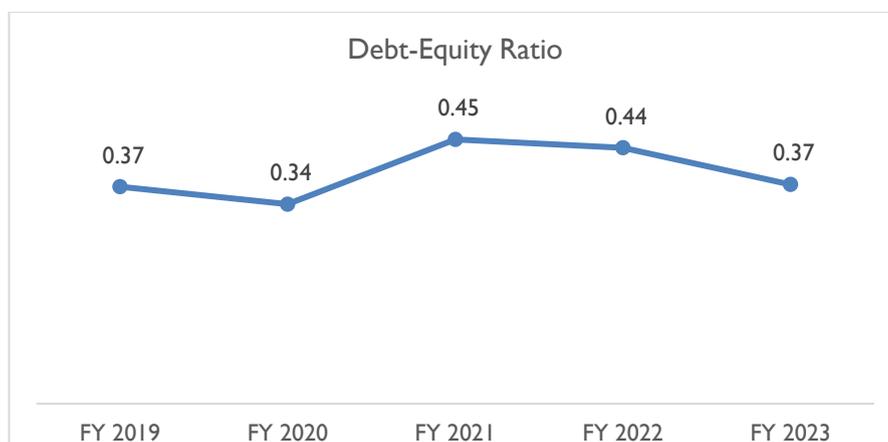
been reduced over FY 2019 to FY 2020 on account of reduced raw material prices due to surplus supply scenario following the ban on waste paper imports by China. Over FY 2021 – FY 2022, the raw materials expenses has been increased due to lower waste paper generation in developed countries and resurgence of Covid-19 in the leading pulp producing countries disrupted supply across the globe, consequently the prices of waste paper also has been increased during the same period. Further, increase in prices of wood pulp also contributed to the increased cost of raw materials in the paper industry in FY 2022 & FY 2023.

Pulp, paper and paper board manufacturing is one of the five most energy intensive industrial segments in the country. Energy consumption in Indian paper mills is even higher as majority of mills use older low efficient machinery. In addition to this, rising coal prices were also observed, making power and fuel expenses an significant cost head. Thus, power and fuel expense which significantly impact the margins, accounted for the same share of 1.3% of net sales, even when sales grew significantly by 48% and 8% in FY 2022 ans FY 2023 respectively.

The profitability margins of the sample companies showed negative growth on the back of increasing costs. Operating margin recorded a CAGR of -0.1% while net margin recorded a CAGR -18.6% between FY 2019 – FY 2023.

### **Ratio Analysis**

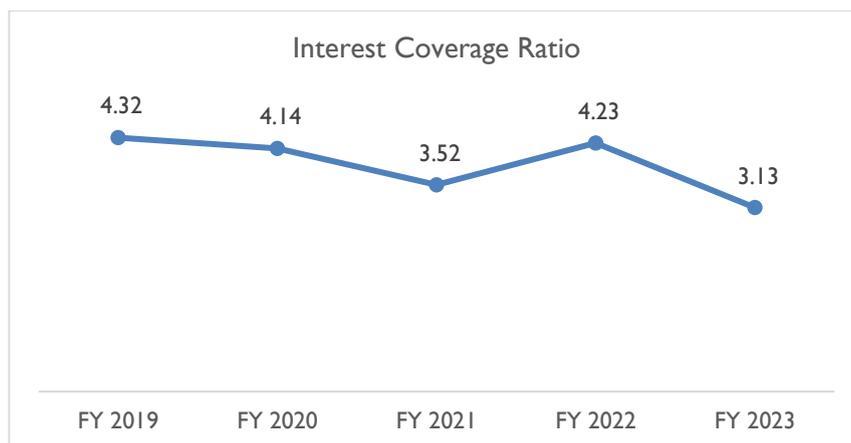
#### **Debt Equity Ratio**



Source: CMIE Prowess IQ, Dun & Bradstreet Research, Based on a Sample of 23 Companies

Consolidated debt equity ratio of the sample companies remained same the last years (0.37 times in FY 2019 & FY 2023), continuing to remain in the low range. The ratio improved from 0.44 times in FY 2022 to 0.37 times in FY 2023 where the consolidated debt declined by approximately 4% on y-o-y basis while net worth grew by roughly 12%. In the last five-years, consolidated borrowing for expansion has increased remarkably at a CAGR of 12.4% as compared to a 12.1% CAGR exhibited by networth, which has resulted in this consistent ratio.

#### **Interest Coverage Ratio**



**Source: CMIE Prowess IQ, Dun & Bradstreet Research, Based on a Sample of 23 Companies**

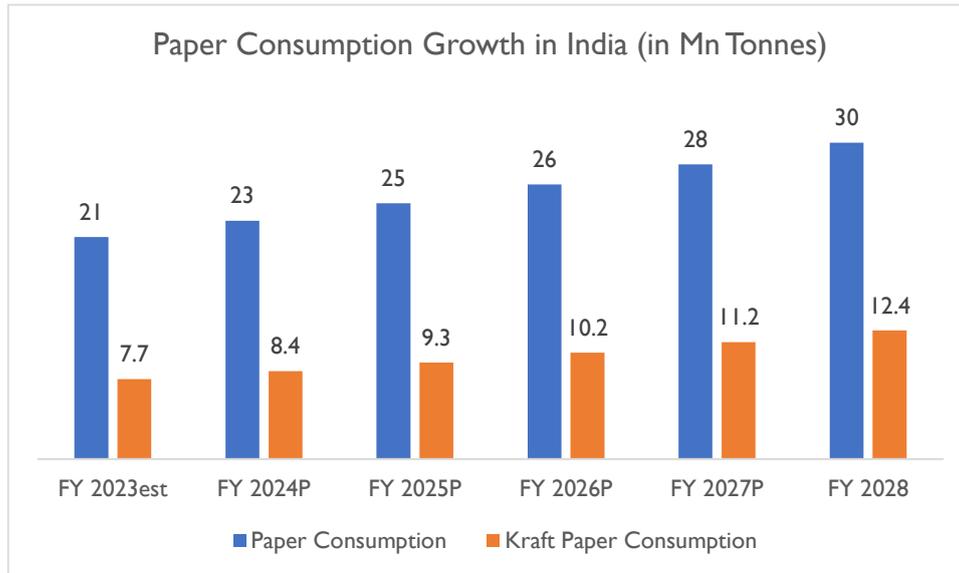
Interest coverage ratio (ICR) of the sample companies exhibited downfall over the period FY 2019 – FY 2023 from the level of 4.32 times to 3.13 times on account of negative growth in operating profits (-0.1% CAGR) than interest expense (8.3% CAGR). During FY 2022, substantial rise in net sales by nearly 48% translated in improved ICR of 4.23 points in the same period. However, an annual increase of 22% in interest expenses against -10% decline in operating margin led to decline in ICR by -26% in FY 2023.

#### ***Growth Forecast***

The Indian Paper industry is expected to witness an increased demand for packaging paper coming from manufacturing sector owing to the requirement of better-quality packaging of FMCG products marketed through organised retail and ecommerce sector. The integration of various packaging papers, such as duplex boards and kraft paper, within the e-commerce landscape is playing a pivotal role in driving market growth. These packaging solutions are gaining traction due to their associated benefits, including folding resistance, toughness, and high-strength compression performance.

Additionally, governmental initiatives aimed at curbing the single use of plastic bags are poised to further amplify the demand for packaging paper aligning with broader sustainability goals.

Over the longer term, the overall growth of Indian paper industry is expected to remain healthy on the back of increase in economic activity coupled with increasing penetration of specialized and conventional packaging in sectors like FMCG, healthcare, e-commerce, pharmaceuticals, and consumer industries. The demand for writing and printing also remained strong backed by reopening of schools, other educational institutions, and offices etc. ***Consequently, overall paper consumption is likely to witness 7.3% average annual growth to reach 30 million tonnes by FY 2028.***



Dun & Bradstreet Estimates

*During the same period, the India kraft paper market size is estimated to grow from 7.67Mn tonnes in FY 2023 to reach 12.4 million Tons by 2030, exhibiting a growth rate (CAGR) of 10% during FY 2023-28.*

This anticipated increase in demand for Kraft paper is primarily fuelled by the booming e-commerce sector, where sturdy packaging materials are essential for shipping goods securely. Moreover, the food and beverage industry rely on Kraft paper for packaging items like grocery bags, food containers, and takeaway packaging due to its eco-friendly properties. Additionally, the pharmaceutical sector utilizes Kraft paper for medicine packaging, ensuring product safety and compliance with regulatory standards.

Furthermore, the construction and building materials sector also is also expected to push the demand for Kraft paper-based products like plasterboard liners and protective coverings during construction projects. This diversification of applications shows the versatility and resilience of Kraft paper, making it a favoured choice in multiple industries. As consumer preferences continue to evolve towards eco-friendly solutions, the demand for Kraft paper and its derivatives is expected to remain robust, driving the overall growth of the paper and paper products industry in the coming years.

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## OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Prospectus, including the information contained in the section titled “Risk Factors” on page no. 28 for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 237 and 288 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations of this Draft Red Herring Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us”, “Nikita”, “NPL” and “Our” refers to “Our Company”. Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements prepared in accordance with Accounting Standard set forth in the Draft Red Herring Prospectus.

## BACKGROUND OF COMPANY

Our company was originally incorporated as a Private Limited Company on August 18, 1989, with the Corporate Identification Number U21015UP1989PTC011059. Later, pursuant to shareholders resolution passed on May, 26, 2003 it converted into a Public Limited Company and fresh COI issued by RoC to the company dated June 12, 2003, and Corporate Identification Number of the company changed to U74899DL1989PLC129066 with its headquarters located at A-10, First Floor, Near Deepali Chowk, Saraswati Vihar, Pitampura, New Delhi 110034. Currently, our companies Corporate Identification Number is U74899DL1989PLC129066.

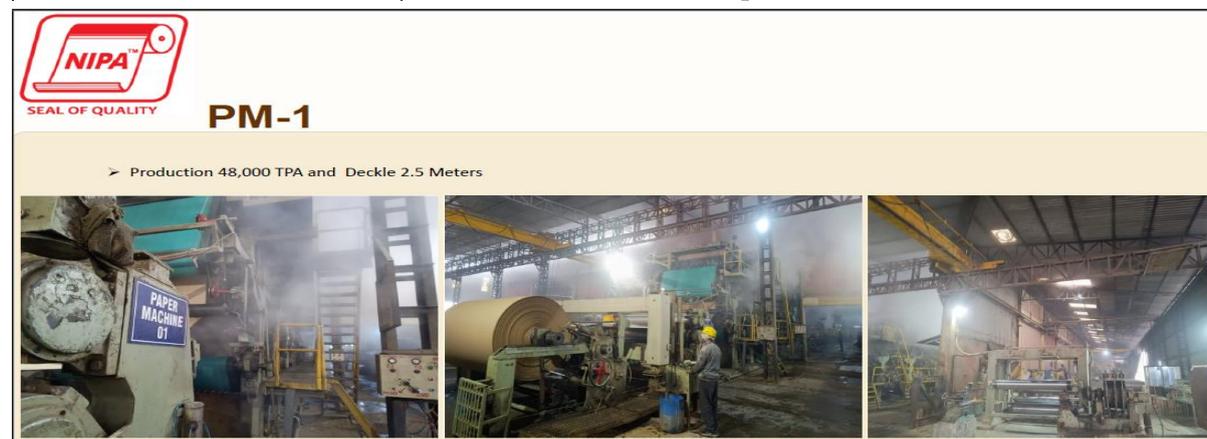
Mr. Ashok Kumar Bansal, with over 35 years of overall experience and more than 25 years specifically in the paper industry, leads the Nikita as its Chairman.

In 1991, a Unit in the name of Nikita Papers Ltd. was established at Industrial Estate, Panipat Road, Shamli (U.P) to manufacture Kraft paper with 30 Tons per Day Capacity. Since then, the company has undergone through many expansion & modernizations time to time as per the demand of the market to maintain its quality and now the paper quality of the company is well established in the paper market. At present the installed capacity of the company is approx. 1,33,000 M.T. per annum. The company in manufacturing Kraft paper ranging from 80 to 200 GSM in various Burst Factor (B.F.) ranges. This diverse product offering allows Nikita Papers Ltd. to cater to a wide range of customer needs within the paper industry.

## MANUFACTURING FACILITIES

Our Company has following manufacturing facilities:

Unit	Location
PM 1 (1992) & PM 2 (2021)	C-10 Industrial Estate, Panipat Road, Shamli-247 776 (U.P.)





## PM-2

Production 90,000 TPA and Deckle 4.4 Meters.



### PLACE OF BUSINESS OF THE COMPANY

Details of offices of the company are as following:

S. No.	Particulars	Address
1.	Registered Office	A-10, First Floor, Land Mark Near Deepali Chowk, Saraswati Vihar, Pitampura, Delhi -110034
2.	Corporate Office/Factory	C-10, Industrial Estate Panipat Road, Shamli, Muzaffarnagar, Uttar Pradesh, India, 24777

### VISION & MISSION:

OUR VISION AND MISSION	
Vision:	Mission:
We aspire to be the first choice of our customers for superior quality kraft paper, produced in an ethical and sustainable manner.	<p>To multiply the present set-up and service quality manifold, along with delivering the top-notch quality packaging solutions to cater all the industries across the globe.</p> <p>To provide 100% customer satisfaction to our customers by adapting to continuous growth, value-added products and world-class services that enable the safe transport, dispatch and distribution of the goods.</p>

### SWOT ANALYSIS

SWOT ANALYSIS	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>Experienced Promoters</li> <li>Expansion into Fluting Media</li> <li>Market Potential</li> <li>Innovative Equipment</li> <li>Strategic Location</li> <li>Network of Dealers and Customers</li> <li>Network of Raw Material Suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Low margin in Paper industry.</li> <li>Stiff Competition from nearby paper mills</li> <li>Higher indirect taxes and power intensive</li> </ul>



OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Getting more and more opportunity for domestic market due to healthy demand for packaging paper.</li> <li>• Innovative new product creations</li> <li>• Emergence of ancillary industries i.e. packaging</li> </ul>	<ul style="list-style-type: none"> <li>• Tough competition from local companies</li> <li>• Government Policies</li> </ul>

➤ **STRENGTHS**

- I. **Experienced Promoters:** The promoters of the company possess over two and a half decades of experience in the paper industry. This understanding allows them to navigate the fluctuations in demand patterns. Us as manufacturers of paper products furthers the company's position in the market.
- II. **Expansion into Fluting Media:** The company has undertaken an initiative by adding a Fluting Media Multi-liner Kraft paper project to its existing manufacturing unit. This move introduces a value-added product catering to the paper packaging segment. Fluting media, being a component in corrugated packaging, enjoys market demand. By diversifying its product portfolio to include this item, the company expands its revenue streams and strengthens its foothold in the packaging industry.
- III. **Market Potential:** The shift away from plastic packaging presents a market opportunity for the company's products. With increasing environmental concerns and regulations against plastic usage, there is a growing demand for eco-friendly alternatives such as paper packaging. Additionally, the recyclability of waste paper further enhances the market potential for the company's products.
- IV. **Innovative Equipment:** By leveraging advanced technology, the company can enhance efficiency, productivity, and product quality. The implementation of latest equipment also provides a competitive edge over rivals by enabling cost optimization and faster production cycles. This modernization initiative not only ensures the company's ability to meet evolving customer demands but also strengthens its position in the industry, driving growth and sustainability in the long run.
- V. **Strategic Location:** The project's location at a well-connected site with access to essential infrastructure facilities which is advantageous for the company. This facilitates efficient transportation of raw materials and finished products, reducing logistics costs and lead times. Additionally, proximity to infrastructure facilities such as power, water, and transportation networks ensures uninterrupted operations and operational efficiency. This location provides the company with a competitive advantage, enabling it to serve its customers more effectively while optimizing operational performance and driving business growth.
- VI. **Network of Dealers and Customers**

We serve a diversified customer base comprising multinational corporations, regional brands, converters, and packaging manufacturers. Our flexible manufacturing processes and responsive customer support allow us to accommodate varying demand levels and deliver customized solutions to meet specific requirements. Specializing in manufacturing recycled paper-based Duplex Board products for packaging in industries like food, beverage, pharmaceuticals, cosmetics, and consumer goods, we cater to both domestic and international markets.



## VII. Network of Raw Material Suppliers

We have established strategic partnerships with suppliers, distributors, and industry stakeholders to enhance our supply chain efficiency, expand our market reach, and drive collaborative innovation initiatives. These partnerships enable us to stay at the forefront of industry trends and emerging technologies.

### ➤ **WEAKNESSES**

- I. Low Margin in Paper Industry:** The paper industry is known for its narrow profit margins due to various factors such as intense competition, fluctuating raw material prices, and high operational costs. Factors like oversupply in the market and cyclical demand further contribute to the challenges faced by paper manufacturers. These low margins necessitate stringent cost management, operational efficiency, and strategic pricing to remain competitive. Additionally, investing in technology and innovation to improve productivity and reduce production costs becomes imperative for companies to maintain profitability in such a challenging environment. Despite these challenges, companies with effective management strategies and a focus on quality can navigate the low-margin landscape and achieve sustainable growth in the paper industry.
- II. Stiff Competition from Nearby Paper Mills:** The presence of nearby paper mills poses a significant challenge for companies in the paper industry. Competition from local mills often leads to pricing pressures and reduced profit margins. Additionally, proximity to competitors may result in challenges related to access to raw materials, skilled labor, and market share. To thrive in such a competitive landscape, companies must differentiate themselves through product quality, innovation, and customer service. Building strong relationships with customers and suppliers, along with strategic marketing initiatives, can help companies withstand the pressure from nearby competitors and maintain their market position.
- III. Higher Indirect Taxes and Power Intensive:** The paper industry faces the burden of higher indirect taxes, which can significantly impact profitability. Taxes on inputs such as raw materials, energy, and transportation increase production costs, thereby reducing profit margins for paper manufacturers. Moreover, the paper manufacturing process is inherently power-intensive, requiring significant energy consumption for various operations such as pulping, drying, and finishing. Rising energy costs further add to the financial strain on paper mills, affecting their competitiveness in the market. To mitigate these challenges, companies may explore alternative energy sources, invest in energy-efficient technologies, and engage in advocacy efforts to address regulatory issues related to taxation and energy pricing. Additionally, optimizing operational processes and adopting sustainable practices can help minimize the impact of higher indirect taxes and energy costs on the bottom line.

### ➤ **OPPORTUNITIES**

- I. Getting More Opportunities for Domestic Market Due to Healthy Demand for Packaging Paper:** As consumer preferences shift towards eco-friendly and sustainable packaging solutions, the demand for paper-based packaging materials continues to grow steadily. Nikita Papers, with its focus on manufacturing Kraft paper, is well-positioned to capitalize on this trend. The company can leverage its expertise and production capabilities to meet the rising demand for packaging paper in various industries such as food and beverage, pharmaceuticals, e-commerce, and more. By catering to the domestic market's needs effectively, Nikita Papers can expand its customer base, enhance market share, and drive revenue growth.



- II. Innovative New Product Creations:** Innovation is key to staying competitive in the paper industry, and Nikita Papers Limited recognizes the importance of continually introducing innovative new products to meet evolving customer demands. By investing in research and development, the company can develop novel paper products tailored to specific market needs. These innovative offerings could include specialty papers with unique features such as enhanced strength, water resistance, or biodegradability, catering to niche applications in various industries. Additionally, Nikita Papers can explore value-added products such as coated papers, laminates, or specialty packaging solutions to differentiate itself in the market and command premium pricing.
- III. Emergence of Ancillary Industries i.e., Packaging:** The emergence of ancillary industries, particularly in packaging, presents significant growth opportunities for Nikita Papers Limited. As the packaging industry expands to meet the demands of various end-use sectors such as food and beverage, pharmaceuticals, electronics, and retail, there is a growing need for packaging materials like Kraft paper. Nikita Papers, with its focus on manufacturing improving Kraft paper, stands to benefit from this trend. By forging strategic partnerships with packaging companies and offering innovative paper-based packaging solutions, Nikita Papers can capitalize on the synergies between the paper and packaging sectors. Additionally, the emergence of ancillary industries can lead to demand for specialized paper products, creating avenues for product diversification and expansion for Nikita Papers. By aligning its business strategies with the evolving needs of ancillary industries like packaging, Nikita Papers can drive growth, enhance competitiveness, and create long-term value for stakeholders.

➤ **THREATS**

- I. Tough Competition from Local Companies:** Nikita Papers Limited faces stiff competition from local paper manufacturing companies operating in the same geographical area or catering to similar markets. Local competitors often pose significant challenges such as price competition, as they may have lower production costs due to factors like proximity to raw materials or cheaper labor. Additionally, local competitors may have established relationships with nearby customers, making it difficult for Nikita Papers to penetrate or retain market share in certain segments. To address this challenge, Nikita Papers must focus on differentiating itself through product quality, innovation, and customer service.
- II. Government Policies:** Government policies and regulations can significantly impact the operations and profitability of Nikita Papers Limited. Changes in policies related to environmental regulations, taxation, trade tariffs, and labor laws can directly affect the company's cost structure, compliance requirements, and market dynamics. For instance, stricter environmental regulations may necessitate investments in pollution control measures or adoption of sustainable practices, leading to increased operational costs. Similarly, changes in taxation policies or trade tariffs can affect the cost of raw materials, transportation, and export-import activities, impacting the company's profitability. To navigate the complexities of government policies effectively, Nikita Papers must stay abreast of regulatory developments, engage in advocacy efforts to influence policy decisions, and adapt its business strategies accordingly. By proactively addressing regulatory challenges and ensuring compliance with applicable laws, Nikita Papers can mitigate risks and seize opportunities in a dynamic regulatory environment, thereby safeguarding its business interests and sustaining long-term growth.

## RAW MATERIAL – REUSABLE PAPER



At Nikita Papers Limited, reusable/waste paper serves as a raw material in the production of Kraft paper. Waste paper, sourced from post-consumer and industrial sources which is gathered at dump grounds which is segregated, collected and stored.

After the cleaning process, the waste paper is pulped, breaking down the fibers into a slurry consistency. This pulp is then blended with additives and chemicals to achieve the characteristics and properties required for Kraft paper production.

## OUR PRODUCT



**Burst Factor  
Range 80-  
220 GSM**



**Burst Factor  
Range 70-  
200 GSM**



**Cobb  
Range 40-  
120 GSM**

# KRAFT PAPER

### Kraft Paper:

Kraft paper, also known as sack paper, serves as a versatile material utilized in packaging and crafting applications. Its inherent porosity facilitates breathability, making it particularly valuable for wrapping goods that necessitate ventilation. This characteristic ensures that products remain fresh and dry during transportation or storage. Moreover, the paper's elasticity and tear resistance contribute to its durability, providing an additional layer of protection to items.

In the realm of packaging, Kraft paper finds widespread use in various forms. It is frequently employed for wrapping parcels securely, crafting environmentally friendly bags, or as a cushioning agent to safeguard fragile items. Beyond packaging, the natural appearance and robustness of Kraft paper make



it highly favored among crafters for an array of do-it-yourself projects. These include but are not limited to gift wrapping, scrapbooking, and the creation of homemade cards, where its texture and appearance add an authentic touch.

The grammage range of Kraft paper spans from 70 to 200 GSM (grams per square meter), offering a broad spectrum of choices to cater to different requirements. The lighter grades, ranging from 70 to 100 GSM, are often chosen for applications requiring lightweight packaging, such as envelopes or interleaving sheets that shield delicate objects from potential damage. Medium-weight grades, typically falling between 120 and 150 GSM, are aptly suited for crafting shopping bags, book covers, and general-purpose packaging solutions.

For those seeking enhanced durability, the Cobb Range offers Kraft paper options ranging from 40 to 120 GSM. These heavier grades are particularly well-suited for heavy-duty packaging, projects demanding increased strength, or as sturdy backing boards for notebooks and pads. This wide range of options accommodates a multitude of needs across various industries, striking a balance between flexibility and robustness to meet the diverse demands of different projects and applications.

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**MANUFACTURING PROCESS**



## **MANUFACTURING PROCESS OVERVIEW:**

Paper is made up of connected fibers and these fibers can come from number of sources including cloth rags, cellulose fibers from plants, and, most notably trees. Paper production is basically a two-step process:

1. Fibrous raw material is first converted into pulp
2. Then the pulp is converted into paper

### **1) Pulp Mill**

#### **Raw Materials**

Raw material is chosen based on properties of fiber required to make the end product of specified quality parameters based on market demand.

#### **Pulping**

Waste paper is blended with water and mixed in pulper to produce slurry type of material. Foreign elements are removed in this process along with fiber recovery from the waste.

#### **Screening and cleaning**

Slurry is then passed through screens and cleaners to remove foreign materials such as plastics, staples, glues, dust etc. to improve the fiber quality and to meet the quality.

#### **Approach flow**

The slurry is mixed with chemicals, filler elements and then cleaned again for sheet formation

### **2) Paper machine**

#### **Sheet formation**

The slurry is then put on a sheet to take that form and then water is removed using gravity

#### **Dewatering and Pressing**

Vacuum is then used to remove water and later the sheet passes through rollers which press against the sheet to further drain the water and strengthen the paper

#### **Drying**

The remaining water in the sheet evaporates as it passes through dryers of paper machine.

#### **Starch application / sizing**

Starch is applied on the surface of paper to increase the strength of paper and for smoother surface finish. The paper then passes through another section of dryers to remove moisture added due to starch solution applied on the surface.

#### **Coating**

Coating layers are applied on the top and bottom layers to improve surface finish and printability. On the top layer, coating provides a white and smooth surface which is suitable for offset printing for

folding cartons

### Roll formation

The final product from paper machine is obtained in the form of a jumbo roll.

### 3) Finishing house

#### Roll conversion and Cutting

Finishing house area has an equipment termed re-winder/sheet cutters to convert the large jumbo roll received from paper machine to rolls of smaller width and diameter based on order, or sheets, as per requirements of the convertor.

#### Quality check and Packaging before shipment

The small rolls cut in re-winder/ sheets made through sheet cutters are further checked for compliance of quality demands and then packed using best industrial practices for import and export market.

### LIST OF MACHINERY

S. No	Particulars	Usage	Number	Capacity	Consumption/Utilisation	Pressure	Steam Generation	Remarks
1	<b>TURBINE-1</b>	Power Generation	1	2.5MW	1.9MW	-	-	Under Utilised
2	<b>TURBINE-2</b>	Power Generation	1	1.4MW	1.2MW	-	-	Under Utilised
3	<b>BOILER1</b>	Steam Generation	1	18 TPH	-	45KG/CM2	14TPH	Under Utilised
4	<b>BOILER 2</b>	Steam Generation	1	18 TPH	-	32KG/CM2	12TPH	Under Utilised
5	<b>BOILER 3</b>	Steam Generation	1	12 TPH	-	12KG/CM2	6TPH	Under Utilised
6	<b>PM-1 - 1992</b>	Paper making	1	150 TPD	130TPD	-	-	Under Utilised
7	<b>PM-2 - 2021</b>	Paper making	1	250 TPD	225TPD	-	-	Under Utilised

### REQUIREMENT OF POWER & STEAM

	Elec. Power	Steam	Source For Steam	Source For Electric Power	Sanction Load	Consumption
<b>PM-1</b>	1.8MW	10TPH	BOILER	Own Generation & On Grid	6MW	5.8MW
<b>PM-2</b>	5.75MW	22TPH	BOILER	Own Generation & On Grid		

### CAPACITY AND CAPACITY UTILIZATION

Particulars	FY 2022-24	F Y 2022-23	F Y 2021-22
Installed Capacity (In MT)	1,33,000.00	1,33,000.00	1,33,000.00
Production Capacity (In MT)	119594.113	110,997.05	97,433.05
<b>% of Utilization</b>	<b>90% %</b>	<b>83%</b>	<b>73%</b>

### REVENUE BIFURCATION:

(Amt. in Lakhs)

Product	For the period ended 31st March, 2024		For the FY ended 31 <sup>st</sup> March, 2023		For the FY ended 31 <sup>st</sup> March, 2022	
	Rs.	(%)	Rs.	(%)	Rs.	(%)
Kraft paper	32075.08	94.73 %	38337.58	96.25%	34401.45	96.52%
Waste Paper & Others	661.42	1.95% %	133.1	0.33%	178.46	0.50%
Commission on sale	1123.58	3.32% %	1362.51	3.42%	1061.17	2.98%
<b>Total</b>	<b>33860.08</b>		<b>39833.21</b>		<b>35641.08</b>	

### GEOGRAPHICAL WISE REVENUE BREAKUP

(Amount in Lakhs)

State/Country	For FY ended March 31, 2024	For FY ended March 31, 2023	For FY ended March 31, 2022
Jammu Kashmir	34.78	110.61	7.57
Himachal Pradesh	207.24	384.26	641.32
Punjab	557.51	350.45	457.09
Chandigarh	48.07	39.92	23.72
Uttarakhand	265.96	662.88	630.79
Haryana	1,104.10	5,451.30	6,584.68
Delhi	2,274.42	18,965.76	14,561.87
Dadra & Nagar Haveli	-	-	164.98
Rajasthan	641.61	4.02	4.43
Uttar Pradesh	28,677.56	13,308.73	11,879.69
Madhya Pradesh	6.10	17.52	-
Gujarat	-	-	3.74
Maharashtra	-	505.60	567.47



Goa	42.74	-	-
<b>Export</b>	-	-	-
Bangladesh	-	32.17	113.75
<b>Total Rs.</b>	<b>33,860.08</b>	<b>39,833.21</b>	<b>35,641.08</b>

## OUR CUSTOMERS & SUPPLIERS

The following is the breakup of the top five customers/suppliers of our Company for the periods indicated on consolidated basis:

Category	FY 2023-24		FY 2022-2023		FY 2021-2022	
	Amount (Rs. Lakhs)	Percentage	Amount (Rs. Lakhs)	Percentage	Amount (Rs. Lakhs)	Percentage
Top 5 Customers	17,361.55	51.27%	16789.48	42.14%	17014.27	47.75%
Top 10 Customers	24,129.91	71.27%	26,016.92	65.30%	25616.39	71.89%
Top 5 Suppliers	11920.10	55.53%	10,319.69	36.92%	7609.98	31.53%
Top 10 Suppliers	14,544.29	67.75%	15,143.02	54.18%	10,665.07	44.19%

## UTILITIES & INFRASTRUCTURE FACILITIES

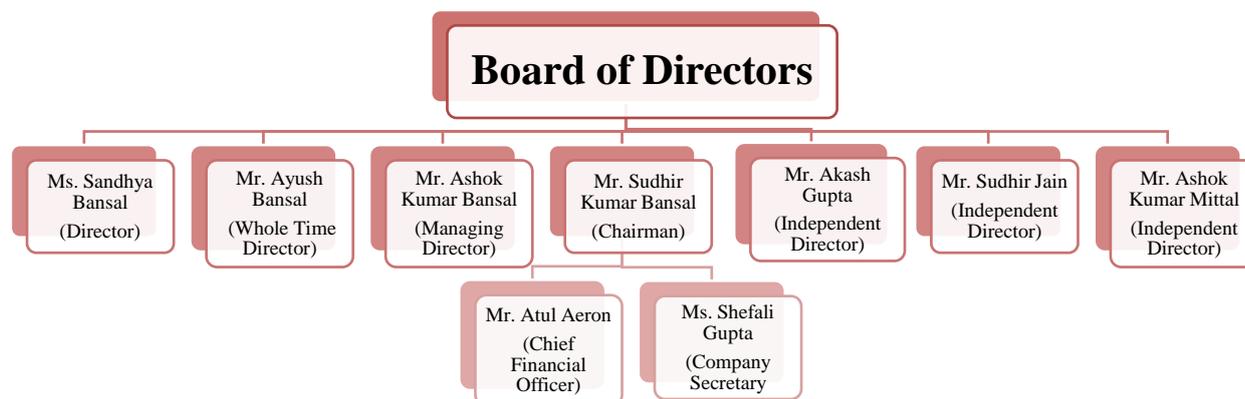
### Power

We need power supplies to produce our goods, and to meet our requirement, we have been sanctioned loads of 6000 KW from UPPPCL (Uttar Pradesh Power Corporation Limited).

### Water

Nikita Papers Limited being a Kraft paper-making company requires substantial water for pulping, washing, bleaching, paper formation, and recycling. Water usage varies based on factors like production scale and efficiency of water management systems. Recycling minimizes freshwater usage. Compliance with environmental regulations necessitates water treatment investments. Precise figures depend on processes and location, considering regional water availability and quality.

## ORGANISATIONAL STRUCTURE



## HUMAN RESOURCES

At Nikita Papers Limited, our Human Resources (HR) department serves as a force in fostering a people-centric culture. Our HR team, comprises three experienced HR Executives focusing on talent acquisition. Leveraging an Applicant Tracking System (ATS), we ensure an unbiased recruitment process. Nikita Papers through a range of in-house and outsourced training programs, empowering our workforce with the skills needed. Emphasizing regular attendance, exceptional performance, we foster a culture of discipline and continuous improvement. Through these initiatives, our HR department plays role in shaping an engaged workforce. The total strength of manpower as March 31, 2024 is 201 employees. Department wise details are as under:

### Department Wise Break-Up

S. No	Particulars	March 31, 2024
1.	Finance & Accounts	5
2.	Sales & Marketing	5
3.	Supply Chain Management	18
4.	Administration & HR	1
5.	Quality Check	6
6.	Management	18
7.	Operation & Production	142
8.	Security	6
<b>Total</b>		<b>201</b>

## FINANCIAL ACHIEVEMENTS OF THE COMPANY

(Amt. in Lakhs)

Particulars	For the period ended 31 <sup>st</sup> March, 2024	For the period ended 31 <sup>st</sup> March, 2023	For the period ended 31 <sup>st</sup> March, 2022
<b>Share Capital</b>	1,817.35	861.35	861.35
<b>Reserves &amp; Surplus</b>	5,919.90	4,612.83	3,748.31
<b>Net Worth</b>	7,737.25	5,474.18	4,609.66
<b>Total Income</b>	34,678.28	40,130.91	35,848.57
<b>PAT</b>	1,659.53	864.52	695.21

## COMPETITION

In the competitive landscape of the paper industry, Nikita Papers Limited faces challenges posed by local competitors. The industry's competitive dynamics are influenced by factors such as price fluctuations, technological advancements, and shifts in consumer preferences. Local paper manufacturers, situated in close proximity to Nikita Papers, present direct competition, often leveraging advantages like lower production costs or established customer relationships. Additionally, international players introduce further competition, capitalizing on economies of scale and advanced manufacturing processes. Nikita Papers focuses on operational efficiency and cost optimization to maintain competitiveness while upholding to environmental sustainability and regulatory compliance.

### Peer Companies as per the Key Performance Indicators:

1. Magnum Ventures Limited
2. Tamilnadu Newsprint and Papers Limited
3. Ruchira Papers Limited
4. Pakka Limited

## INSURANCES

Due to the risks involved in our activities, we maintain insurance policies that are typically required for our businesses. Below is the list of the insurance policies we have maintained as on the date of this Draft Red Herring Prospectus:

S. No	Insurance Company	Policy No.	Party Insured	Sum insured	Premium Paid	Details	Period
1.	The Oriental Insurance Company Limited	8400004424580000002	Nikita Papers Ltd	31265201/-	92233/-	Electronic Equipment Insurance	04/05/2024 TO 03/05/2025
2.	The Oriental Insurance Company Limited	8400004424510000002	Nikita Papers Ltd	7,61,36,859 -	449208/-	Machinery Breakdown Insurance	04/05/2024 TO 03/05/2025
3.	The Oriental Insurance Company Limited	4000044245100000003	Nikita Papers Ltd	57,62,810/-	33999/-	Machinery Breakdown Insurance	04/05/2024 TO 03/05/2025
4.	The Oriental Insurance Company Limited	253902/44/2025/1	Nikita Papers Ltd	6356053/-	41999/-	Machinery Breakdown Insurance	24/06/2024 To 23/06/2025
5.	The Oriental Insurance Company Limited	253902/44/2025/2	Nikita Papers Ltd	53042896/-	262880/-	Machinery Breakdown Insurance	24/06/2024 To 23/06/2025
6.	The Oriental Insurance Company Limited	253902/44/2025/3	Nikita Papers Ltd	46587873/-	154436/-	Electronic Equipment Insurance	24/06/2024 To 23/06/2025
7.	The Oriental Insurance Company Limited	253902/11/2025/1	Nikita Papers Ltd	1,25,00,00,000/-	22,92,150/-	STFI, Fire Basic, Earth Quake	03/04/2024 To 02/04/2025
8.	The Oriental Insurance Company Limited	253902/31/2025/217	Nikita Papers Ltd	334201/-	9083/-	Motor Insurance	16/06/2024 To 15/06/2025
9.	The Oriental Insurance Company Limited	253902/31/2025/124	Nikita Papers Ltd	750000/-	34779/-	Motor Insurance	17/05/2024 To 16/05/2025



10.	The Oriental Insurance Company Limited	253902/31/2025/194	Nikita Papers Ltd	2509725/-	29754/-	Motor Insurance	07/06/2024 To 06/06/2025
11.	Raheja QBE	010W002048500000	Nikita Papers Ltd	59421324	62655/-	Employee Insurance Policy	18/04/2024 To 17/04/2025
12.	HDFC Ergo General Insurance Company Limited	230220602343550000	Nikita Papers Ltd	3520000	78837	Motor Insurance	13/01/2024 To 12/01/2025
13.	The Oriental Insurance Company Limited	253902/31/2025/265	Nikita Papers Ltd	1440000	25209	Motor Insurance	01/07/2024 To 30/06/2025

## LAND AND PROPERTIES

The details of the freehold and leasehold properties in the name of Nikita Papers Limited as on the date of this Draft Red Herring Prospectus is provided herein below.

S. No.	Address	Details of the Agreements	Date of Agreement	Area	Usage	Possession Type	Validity
1.	C-6, Industrial Estate, Panipat Road, Shamli-247776	The original Agreement executed on 11/04/2001 for 99 years, the same has been transferred to Nikita Papers Ltd via Transfer Agreement	29/06/2007	1036 Sq. Mtr	Factory	Lease	99 Years
2.	C-9, Industrial Estate, Panipat Road, Shamli-247776	The original Agreement executed on 09/01/1991 & 29/06/2011 for 99 years, the same has been transferred to Nikita Papers Ltd via Transfer Agreement	09.01.1991 & 29/06/2011	3111.22 Sq. Mtr	Factory	Lease	99 Years
3.	Behind C-10, Industrial Estate, Panipat Road, Shamli-247776 Khasra No.1580,1581,1582, 1583,1586	Consideration paid Rs. 1,90,000/-	15/09/1989	12800 Sq. Mtr	Factory	Owned	NA
4.	C-10, Industrial Estate, Panipat Road, Shamli-247776	Lessor-Industrial Estate Administration	06/03/1990	2044 Sq. Mtr	Factory	Lease	99 Years



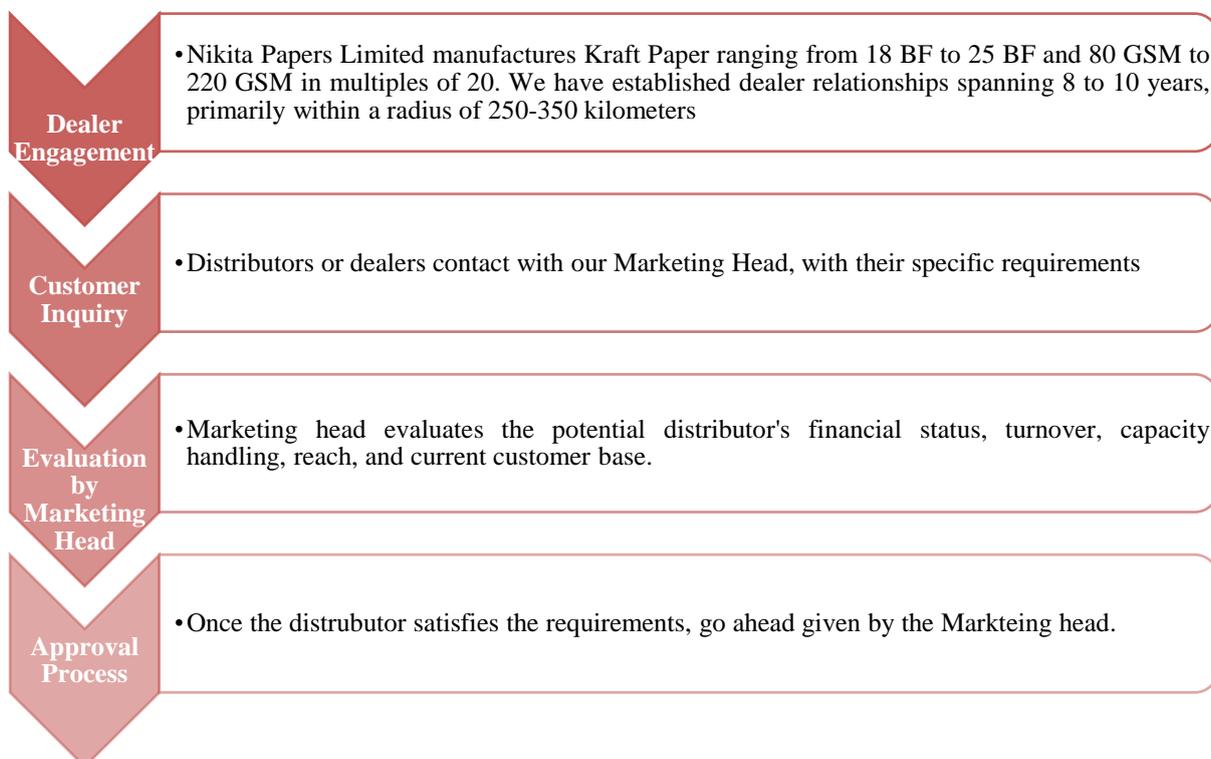
		Yearly rent Re. 1/					
5.	C-11, Industrial Estate, Panipat Road, Shamli-247776	Lessor- Industrial Estate Administration Yearly rent Re. 1/	06/06/2002	947 Sq. Mtr.	Expansion of Water effluent treatment plant	Lease	99 Years
6.	A-10 Floor Ist Land Mark Near Deepali Chowk SaraswatiVihar Pitampura, Delhi, India, 110034	Lessor- Akhil Kumar Gupta Yearly Rent : INR 10,000/- per month	19/03/2024	-	Registered Office	Lease	0101/2024 to 30/11/2024

## INTELLECTUAL PROPERTY

Our Company has the following a trademarks/wordmark in the name of the Company under the Trademarks Act, 1999:

Trademark/Wordmark	Date of Application of Trademark	Date of Renewal	Validity	Application No.	Status	Class
<b>NIPA</b>	04/08/1992	04/08/2016	10 Years	578476	Registered	16
	11/03/2024	NA	-	6341137	Accepted & Advertise	16

## MARKETING APPROACH



## TOP CUSTOMER & SUPPLIERS OF COMPANY

### Top 10 customers for the financial year 2023-24

Particulars	Amount (in Lakh)	Revenue (%)
Ashish Papers Pvt.Ltd.	4,737.31	13.99
Konark Trading Co.	4,224.69	12.48
Shri Mata Vaishno Paper Hub Shamli	2,989.91	8.83
Manavv Crafts India Pvt Ltd, G.Noida	2,936.23	8.67
Kraft Corporation,Noida	2,473.41	7.30
Kalyani Traders Muzaffar Nagar	2,299.77	6.79
Solitaire Trading Co.	1,312.68	3.88
Kagaz Complex Shamli	1,120.10	3.31
Kraft India Delhi	1,024.47	3.03
Surya Rubber Industries	1,011.34	2.99
<b>Total</b>	<b>24129.91</b>	<b>71.27</b>

### Top 10 customers for the financial year 2022-23

Particulars	Amount (in Lakh)	Revenue (%)
Ashish Paper (P) Ltd., Delhi	4,585.77	11.51
Manavv Crafts India Pvt Ltd Delhi	4,347.62	10.91
Kraft Corporation Delhi	3,090.67	7.76
Shri Mata Vaishno Paper Hub Shamli	2,414.91	6.06
Kraft India Delhi	2,350.51	5.90
Aneja Paper & Polymer Pvt Ltd	2,326.57	5.84
Kalyani Traders Muzaffar Nagar	2,074.82	5.21
Konark Trading Co.	1,985.12	4.98
Harlal Gupta & Sons Pvt. Ltd.	1,640.26	4.12
Btmc Paper	1,200.67	3.01
<b>Total</b>	<b>26016.92</b>	<b>65.30</b>

### Top 10 customers for the financial year 2021-22

Particulars	Amount (in Lakh)	Revenue (%)
Ashish Paper (P) Ltd., Delhi	4,460.87	12.52
Kraft India Delhi	4,389.74	12.32
Krecycling Inc	2,807.53	7.88
Manavv Crafts India Pvt Ltd Delhi	2,687.60	7.54
Shri Mata Vaishno Paper Hub Shamli	2,668.54	7.49
Manavv Crafts India Private Limited	2,026.22	5.69
Kraft Corporation Delhi	1,712.29	4.80
Kalyani Traders Muzaffar Nagar	1,663.12	4.67
Btmc Paper	1,644.57	4.61
<b>Total</b>	<b>24060.48</b>	<b>75.06</b>

**Top 10 suppliers for the financial year 2023-24**

Particulars	Amount (in Lakh)	Revenue (%)
RG Traders, Shamli	6,142.10	28.61
Ak Traders, Muzaffarnagar	2,363.95	11.01
Foris Paper Elements	1,358.34	6.33
Neeraj Paper Marketing Ltd- W	1,142.09	5.32
Om Trading Company, Kairana	913.62	4.26
Mahaluxmi Enterprises Shamli	615.79	2.87
Agarwal Chemicals Muzaffar Nagar	565.31	2.63
Baba Traders, Panipat	549.31	2.56
Hotspot Infodot Pvt. Ltd.	457.00	2.13
Bindlas International Limited	436.78	2.03
<b>Total</b>	<b>14,544.29</b>	<b>67.75</b>

**Top 10 suppliers for the financial year 2022-23**

Particulars	Amount (in Lakh)	Revenue (%)
Neeraj Paper Marketing Ltd-	3,557.63	12.73
Ak Traders, Muzaffarnagar	2,727.35	9.76
Surya Enterprises Shamli	1,457.35	5.21
Foris Paper Elements	1,404.59	5.02
Rg Traders, Shamli	1,172.77	4.20
Ajay Kumar Huf, Shamli.	1,119.98	4.01
Shree Balaji Traders M.Nagar	1,006.84	3.60
Agarwal Chemicals Muzaffar Nagar	968.14	3.46
Shree Shyam Enterprises, Delhi	873.65	3.13
Bindlas International Limited	854.72	3.06
<b>Total</b>	<b>15,143.02</b>	<b>54.18</b>

**Top 10 suppliers for the financial year 2021-22**

Particulars	Amount (in Lakh)	Revenue (%)
Neeraj Paper Marketing Ltd-	2,098.71	8.70
Shree Balaji Traders M.Nagar	2,032.54	8.42
Ak Traders, Muzaffarnagar	1,355.75	5.62
Ajay Kumar Huf, Shamli.	1,101.45	4.56
Surya Enterprises Shamli	1,021.53	4.23
Agarwal Chemicals Muzaffar Nagar	738.80	3.06
Foris Paper Elements Rai	685.19	2.84
P.R. Enterprises, Panipat	626.91	2.60
Rjs Trading Company, Panipat	530.35	2.20
Hotspot Infodot Pvt. Ltd.	473.88	1.96
<b>Total</b>	<b>10,665.11</b>	<b>44.19</b>

## CORPORATE SOCIAL RESPONSIBILITY

While we are focused on sustained financial performance, our Company has taken up corporate social responsibility (“CSR”) activities and has adopted a CSR policy in compliance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, as notified by the Central Government. In the past three financial years, we have contributed or spent amount toward CSR activities details are given as follow:

## CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(Amt in Lakhs)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
a) Gross amount required to be spent by the Company during the year/period	11.31	7.63	-
b) total of previous years shortfall,	3.04	-	-
c) Total amount required to be spent	14.35	7.63	-
d) Amount spent during the period / year	9.84	4.59	-
e) shortfall at the end of the period / year	4.52	3.04	-

Furthermore, the Company has spent the amount toward the Corporate Social Responsibility in the following activities

Date	Amount	Mode of payment	CSR No.	Details of Expenditure
18.08.2022	1,00,000	Through Cheque	00009304	Paid to Shree Boleshwar Mahadev Yog Sadhna Aashrm Mandir, Karnal Road, Near Naher Pul Shamli,  Social activities as a caretaker of Lawaris and unsound mind people
19.12.2022	1,50,000	Through Cheque	00046780	Paid to Vijay Foundation Village Simli, Post Laccheda, Muzaffarnagar, U.P. 251316 Social activities for Environmental Related Activities (for Development of Green Forest)
31.03.2023	1,00,000	Through Cheque	00009304	Paid to Shree Boleshwar Mahadev Yog Sadhna Aashrm Mandir, Karnal Road, Near Naher Pul Shamli, Social activities as a caretaker of Lawaris and unsound mind people
31.03.2023	1,00,000	Through Cheque	00050262	Paid to Lala Gangasharan Lions Eye Hospital Charitable Trust, Shamli

				Social Activities as free medical facilities to poor community of society
04.07.2023	2,50,000	Through RTGS	00000667	Paid to Bharat Lok Shiksha Parishad, NS-15, FD Block, Pitapura, Delhi - 110034
11.09.2023	1,00,000	Through RTGS	-	Paid to Deendyal Kamddhenu Gaushala Samiti, Deendyal Dham, Frah-Mathura-281122
19.12.2023	2,83,500	Through Cheque	00046780	Paid to Vijay Foundation Village Simli, Post Laccheda, Muzaffarnagar, U.P – 251316 for Environmental related activities for Development of Green Forest
23.03.2024	2,50,000	Through Cheque	00000667	Paid to Bharat Lok Shiksha parishad, NS-15, FD Block, Pitampura, Delhi-110034 (for supporting education through ekal vidalaya project)
23.03.2024	1,00,000	Through Cheque	00009304	Paid to Shree Boleshwer Mahadev Yog Sadhna AASHRAM mandir Karnal Road Near Neher Pul Shamli UP 55, UP-247776.  Social activities as a caretaker of lawaris and unsound mind people
29-04-2024	2,74,000	Through Internet Banking	NA	Paid to PMCARES FUND
29-04-2024	1,48,000	Through Internet Banking	NA	Paid to PMCARES FUND

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## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Draft Red Herring Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.*

*Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws, and intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for professional legal advice.*

### APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page 301 of this Draft Red Herring Prospectus.

## RELATED TO OUR BUSINESS

### *The Indian Boiler Regulations, 1950*

The Indian Boiler Regulations (IBR) are a set of regulations formulated to govern the design, construction, installation, operation, and maintenance of boilers and boiler components in India. Enacted under the Indian Boilers Act, 1923, these regulations are aimed at ensuring the safety and reliability of boilers, thereby protecting the lives and properties of individuals and businesses.

The IBR lays down stringent requirements for the design, material specifications, manufacturing processes, and quality control measures for boilers and boiler components. It mandates the certification of boilers and boiler parts by authorized inspection agencies to ensure compliance with prescribed standards and specifications. Additionally, the IBR outlines procedures for the registration, inspection, and certification of manufacturers, fabricators, erectors, and repairers involved in the boiler industry, thereby maintaining high standards of competency and professionalism within the sector.

Compliance with the Indian Boiler Regulations is mandatory for all stakeholders involved in the design, manufacture, installation, operation, and maintenance of boilers in India. Failure to adhere to the IBR requirements can result in legal consequences, including penalties, fines, and even closure of operations. By upholding safety standards and promoting best practices in boiler manufacturing and operation, the IBR contributes to the prevention of accidents, ensures the efficient utilization of energy resources, and fosters industrial growth and development in the country.

### *The Shops and Establishment Acts, 1948*

Establishments are required to be registered under the provisions of local shops and establishments legislation applicable in the relevant states. The objective of the act, irrespective of the state, is to regulate the working and employment conditions of worker employed in shops and establishments including commercial establishments. The act provides for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### *The Competition Act, 2002*

The Competition Act, 2002, as amended from time to time (‘Competition Act’) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Act prohibits anti-competitive agreements, abuse of dominant position and



regulates combinations (mergers and acquisitions) with a view to ensure that there is no adverse effect on competition in the relevant market in India.

Under the Competition Act, the Competition Commission has powers to pass directions / impose penalties in cases of anti-competitive agreements, abuse of dominant position and combinations, provided the penalty is not more than ten per cent of the average turnover of the last three years.

### **Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development & Regulation) Act of 1992 represents a pivotal piece of legislation in India's trade framework, aimed at facilitating and regulating the country's foreign trade activities. Enacted to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India, the Act embodies the government's commitment to fostering a conducive environment for international trade while safeguarding national interests. Through its provisions, the Act empowers the government to formulate policies and measures necessary for promoting foreign trade, including the imposition of restrictions or prohibitions on imports and exports to protect strategic sectors, balance trade, or address external economic challenges.

Moreover, the Act establishes various authorities, including the Directorate General of Foreign Trade (DGFT), entrusted with the responsibility of implementing and enforcing the provisions of the Act. The DGFT plays a central role in administering export promotion schemes, issuing licenses, and regulating trade-related activities to ensure compliance with the prescribed norms and regulations. By providing a legal framework for managing foreign trade operations, the Act aims to enhance transparency, efficiency, and accountability in the conduct of international trade, thereby fostering a conducive environment for businesses to engage in cross-border commerce. Additionally, the Act facilitates the integration of Indian businesses into the global economy by promoting exports, attracting foreign investment, and facilitating technology transfer, thus contributing to the overall economic development and competitiveness of the country.

### **Custom Act, 1962**

The Customs Act of 1962 serves as the principal legislation governing customs procedures and regulations in India. Enacted to regulate the import and export of goods, facilitate trade, and prevent smuggling and illicit activities, the Act provides a comprehensive framework for customs administration across the country. It empowers the Central Board of Indirect Taxes and Customs (CBIC) and its field formations with the authority to enforce customs laws, levy duties, and implement trade policies effectively.

The Customs Act delineates procedures and provisions related to the assessment, clearance, and valuation of goods, as well as the classification of imports and exports under the Harmonized System of Nomenclature (HSN). It also incorporates provisions for the imposition and collection of customs duties, including basic customs duty, countervailing duty, and anti-dumping duty, aimed at regulating trade flows and protecting domestic industries. Moreover, the Act outlines measures for customs control, including the inspection and examination of goods, the detention and seizure of contraband items, and the prosecution of offenders engaged in smuggling or customs fraud.

### **Importer Exporter Code**

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

## **LABOUR LAWS**

India has extensive labour related legislations. Certain other laws and regulations that may be applicable to the Company in India include the following which is an indicative list of labour laws applicable to the

business and operations of Indian companies engaged in manufacturing activities:

- Employees Compensation Act, 1923;
- Workmen’s Compensation Act, 1923;
- Employees (Provident Fund and Miscellaneous Provisions) Act, 1952;
- Employees’ State Insurance Act, 1948;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing orders) Act 1946;
- Child Labour (Prohibition and Regulation) Act, 1986
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Apprentices Act, 1961;
- Payment of Wages Act, 1936;
- Equal Remuneration Act, 1976;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

## **TAXATION LAWS**

### **Income-Tax Act, 1961**

The government of India imposes an income tax on taxable income of all persons including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, and body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

### **The Goods and Service Tax Act, 2017**

The Goods and Services Tax (“GST”) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 (“CGST”), relevant state’s Goods and Services Act, 2017 (“SGST”), Union Territory Goods and Services Act, 2017 (“UTGST”), Integrated Goods and Services Act, 2017 (“IGST”), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

## **INTELLECTUAL PROPERTY LAWS**

### **Trademarks Act, 1999 (TM Act)**

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure. As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications



originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

### **Copyrights Act, 1957**

The Copyrights Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

### **Patents Act, 1970**

The purpose of the Patent Act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and ECL a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and ECL his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first invention in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalty for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

### **Designs Act, 2000**

The Design Act, 2000 came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colors applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registerable. A registered design is valid for a period of 10 years after which can be renewed for a second period of 5 years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

### **Information Technology (“IT”) Act, 2000**

This Act aims to provide the legal infrastructure for e-commerce in India. And the cyber laws have a major impact for e-businesses and the new economy in India. So, it is important to understand what are the various perspectives of the IT Act, 2000 and what it offers. The Information Technology Act, 2000 also aims to provide for the legal framework so that legal sanctity is accorded to all electronic records and other activities carried out by electronic means. The Act states that unless otherwise agreed, an acceptance of contract may be expressed by electronic means of communication and the same shall have legal validity and enforceability.

## PROPERTY RELATED LAWS

### *Transfer of Property Act, 1882*

The transfer of property, including immovable property, between living persons, as opposed to the transfer of property by operation of law, is governed by the Transfer of Property Act, 1882. This Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: the transfer of ownership in property for a price paid or promised to be paid.
- Mortgage: the transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The Act recognizes several forms of mortgages over a property.
- Charges: transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: the transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.

### *Registration Act, 1908 (The “Registration Act”)*

The Registration Act has been enacted with the objective of providing public notice of the execution of documents affecting, inter alia, the transfer of interest in immovable property. The purpose of the Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in any immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the TP Act or as collateral), unless it has been registered. Evidence of registration is normally available through an inspection of the relevant land records, which usually contains details of the registered property. Further, registration of a document does not guarantee title of land.

### *The Indian Stamp Act, 1899*

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. The Indian Stamp Act, 1899 (the –Stamp Act) provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state. Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

### *Indian Easements Act, 1882 (The “Easement Act”)*

An easement is a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done, in or upon, other land not his own. Under the Easements Act, a license is defined as a right to use property without any interest in favor



of the licensee. The period and incident may be revoked and grounds for the same may be provided in the license agreement entered in between the licensee and the licensor.

## **STATE LAWS**

### **The Uttar Pradesh Pollution Control Board**

The Uttar Pradesh Pollution Control Board (UPPCB) is a statutory body established under the provisions of the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981. Tasked with the responsibility of maintaining and improving the quality of air and water in the state of Uttar Pradesh, UPPCB operates under the guidance and direction of the Central Pollution Control Board (CPCB) as well as the State Government.

UPPCB's functions include monitoring and regulating industrial emissions, inspecting pollution control measures in various industries, enforcing environmental standards, and issuing permits and consents for industries to operate. Additionally, it conducts environmental impact assessments, implements pollution control measures, and raises public awareness about environmental issues through educational programs and campaigns.

Through its efforts, UPPCB plays a crucial role in mitigating pollution, safeguarding public health, and promoting sustainable development in Uttar Pradesh. By enforcing environmental laws and standards, UPPCB contributes significantly to the preservation of the state's natural resources and the overall well-being of its inhabitants.

## **OTHER ENVIRONMENTAL LEGISLATIONS:**

### **National Environmental Policy, 2006**

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

### **Air (Prevention and Control of Pollution) Act, 1981 (the Air Act)**

The Air Act was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Air Act has declared several areas as air pollution control areas and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Air Act, if a person intends to commence an industrial plant in a pollution control area.

### **Water (Prevention and Control of Pollution) Act, 1974 (the Water Act)**

The Water Act was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Water Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution Control Boards constituted under this Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the Board constituted under this Act.



### **The Hazardous and other Wastes (Management & Trans-boundary Movement) Rules, 2016**

Hazardous Waste Management Rules are notified to ensure safe handling, generation, processing, treatment, package, storage, transportation, use, reprocessing, collection, conversion, and offering for sale, destruction and disposal of Hazardous Waste. These Rules came into effect in the year 1989 and have been amended later in the years 2000, 2003 and with final notification of the Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2008 in supersession of former notifications. The Rules lay down corresponding duties of various authorities such as the Ministry of Environment and Forests, Central Pollution Control Board, State/UT Govts., State Pollution Control Boards / Pollution Control Committees, Director General of Foreign Trade, Port Authority and Custom Authority. State Pollution Control Boards/ Pollution Control Committees have been designated with wider responsibilities touching across almost every aspect of Hazardous wastes generation, handling and their disposal.

### **The Public Liability Insurance Act, 1991 and the Public Liability Insurance Rules, 1991**

The Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under this Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

### **Bureau of Indian Standards Act, 2016**

The Bureau of Indian Standards Act, 2016, as amended, provides for the standardization, marking and quality certification of goods or articles of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The Bureau of Indian Standards Act provides for the functions of the bureau which include, among others (a) recognize as an Indian standard, any standard established for any goods, article, process, system or service by any other institution in India or elsewhere; (b) specify a standard mark to be called the Bureau of Indian Standards Certification Mark; and (c) make such inspection and take such samples of any material or substance as may be necessary.

### **The Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 (“Legal Metrology Act”) came into force on March 1, 2011. The Legal Metrology Act provides that the units of weights and measures must be in accordance with the metric system based on the international system of units, and prohibits quotations made otherwise. The Legal Metrology (General) Rules, 2011, which came into force on April 1, 2011, also provide the detailed specifications of standard weights and measures and the standard equipment. The Legal Metrology Act regulates the trade and commerce in weights and measures, and provides for the appointment of a director, controller and other legal metrology officers, and empowers them to undertake inspection or forfeiture to ensure compliance with its provisions. The Legal Metrology Act provides for imposition of penalty on use of non-standard, or unverified weights and measures, and for making any transaction, deal or contract in contravention of the standards of weights and measures. The Legal Metrology Act allows companies to nominate a person who will be held responsible for the breach of provisions of this legislation.

### **The Micro, Small and Medium Enterprises Development Act, 2006**

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



and Regulation) Act, 1951 as micro enterprise, where the investment in plant and machinery does not exceed twenty-five lakh rupees; Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, Micro enterprise, where the investment in equipment does not exceed ten lakh rupees, Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

### **The Environment Protection Act, 1986 (“Environment Protection Act”)**

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central Government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

## **GENERAL CORPORATE LAWS**

### **Companies Act, 2013**

The Companies Act, 2013 deals with incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The provisions of this act shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e. One Person Company. The provisions relating to formation and allied procedures are mentioned in the act.

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

The Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route ‘within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (FEMA Regulations) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

### **The Competition Act, 2002**

The Competition Act, 2002 (the –Competition Act) prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates –combinations in India. The Competition Act also established the Competition Commission of India (the –CCI) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently



on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds.

There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **Consumer Protection Act, 1986 (“COPRA”)**

The Consumer Protection Act, 1986 (COPRA) aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services, price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of these authorities attracts criminal penalties.

### **The Indian Contract Act, 1872 (“Contract Act”)**

The Contract Act 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **Taxes on Professions, Trades, Callings and Employments**

Every person engaged in any profession, trade, callings and employment is liable to pay tax at the rate prescribed by the respective state government. It is considered necessary to levy tax on profession, trade callings and employment in order to augment state revenues. Every state is empowered by the Constitution of India to make laws relating to levy of taxes on professions, trades, callings and employments that shall serve as the governing provisions in that state.

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## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### COMPANY'S BACKGROUND

Our Company was incorporated as a Private Limited Company in the name “Nikita Papers Private Limited” pursuant to a certificate of incorporation dated August 18, 1989 issued by the RoC in accordance with provisions of the Companies Act, 1956.

Pursuant to conversion of the company from private to public, under section 43A(1A) of the Companies Act 1956, the name of our Company was changed from “Nikita Papers Private Limited” to “Nikita Papers Limited” by deleting the word Private, and a fresh certificate of incorporation consequent to change of name was issued on June 12, 2003.

### BUSINESS OVERVIEW

Nikita Papers Limited is a Public Limited Company initially incorporated as Private Limited Company on August 18, 1989. It was subsequently converted into a Public Limited Company on June 12, 2003. The Company is engaged in manufacture of Kraft paper and has been in existence for more than three decades with satisfactory business performance.

The Company is having its registered office at A-10, First Floor, Near Deepali Chowk, Saraswati Vihar, Pitampura, New Delhi 110034. Sh. Sudhir Kumar Bansal is the Chairman of the Nikita Group who carries immense experience of more than 35 years in the paper industry.

Nikita Papers Ltd. is a company engaged in manufacturing of Kraft Paper since 1989 to cater to the Paper Market in India. The Directors of company have skills and experience of more than 25 years of Paper manufacturing and Distribution apart from experience in other industries.

In 1991, a Unit in the name of Nikita Papers Ltd. was established at Industrial Estate, Panipat Road, Shamli (U.P) to manufacture Kraft paper with 30 Tons per Day Capacity. Since then the company has undergone through many expansion & modernizations time to time as per the demand of the market to maintain its quality and now the paper quality of the company is well established in the paper market. At present the installed capacity of the company is approx. 133000 M.T. per annum. The company is manufacturing Kraft paper of 80- 200 GSM In different B.F. Range.

### REGISTERED OFFICE

Registered Office of the Company is presently situated at **A-10 Floor Ist Land Mark Near Deepali Chowk Saraswati Vihar Pitampura, Delhi, India, 110034**. The Registered office of our Company has been changed twice since incorporation, details of which are given hereunder:

S. No.	Date of Change	Previous Address	New Address	Reason for changes
1.	On Incorporation	NA	Kamla Colony Shamli - 247776, District - Muzaffar Nagar (UP)	NA
2.	15/08/2004	Kamla Colony Shamli - 247776, District - Muzaffar Nagar (UP)	C- 95 Antriksh apartments New Towngroup Housing Society Sector 14, ext Rohini Delhi – 110085	Shifted from Uttar Pradesh to Delhi to expand and explore business opportunities
3.	03/04/2018	C- 95 Antriksh apartments New Towngroup Housing	A-10 Floor Ist Land Mark Near Deepali Chowk, Saraswati Vihar Pitampura New Delhi - 110034	Sold office space and acquired a new one



	Society Sector 14, ext Rohini Delhi - 110085	
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## 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:

1. To carry on the business of the manufacturers of the dealers in all kinds and classes of paper board, and pulp including writing paper, printing paper, absorbent paper, news-print, wrapping paper, tissue paper, cover paper, blotting paper, filter paper, antique paper, ivory finish paper, art paper, bank or bond paper, Badami, brown or buff paper, bible paper, cartridge paper, cloth lined paper, Azurelaid and wove paper cream laid and wove paper, grease proof paper, gummed paper, handmade paper, parchment paper, drawing paper, kraft paper, manila envelope paper, tracing paper, vellum paper, water proof paper, carbon paper, sansitised paper, chemically treated paper, paste-board, duplux and triplex board, valcanised fibre, hard board, plywood board, Mica Board, post cards, visiting cards, soda pulp, mechanical pulp, sulphite pulp and semi chemical pulp.

## AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION:

Set out below are the amendments to the Memorandum of Association of our Company in the last 10 years immediately preceding the date of this Draft Red Herring Prospectus:

Date of Amendment	Particulars of Amendment
26.05.2003	Conversion of the company from private to public
14.09.2004	Change of registered office from Kamla Colony Shamli -247776, District - Muzaffar Nagar (UP) to C- 95 Antriksh apartments New Town group Housing Society Sector 14, ext Rohini Delhi – 110085 (Delhi)
25.06.2014	Increase in authorised share capital from Rs. 4.9 Crores divided into 49 Lakhs equity shares of Rs. 10/- each to Rs. 6 Crores divided into 60 Lakhs equity shares of Rs. 10/- each
29.02.2020	Increase in authorised share capital from Rs. 6 Crores divided into 60 Lakhs equity shares of Rs. 10/- each to Rs. 10 Crores divided into 100 Lakhs equity shares of Rs. 10/- each
20.12.2023	Increase in authorised share capital from Rs. 10 Crores divided into 100 Lakhs equity shares of Rs. 10/- each to Rs. 25 Crores divided into 250 Lakhs equity shares of Rs. 10/- each

## KEY EVENTS AND MILESTONES:

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

Year	Key Events/Milestone/ Achievements
1989	Incorporated as a Private Limited Company
1992	Establishment of Unit in Shamli (U.P) for Kraft paper production with a capacity of 30 Tons/Day
2003	Converted into a Public Limited Company
2013	Transition from Agro pulping to recycle pulping
2014	Conversion of the entire campus to zero liquid discharge
2016	Installation of a state-of-the-art 2.5 MW Thermal Power Plant
2018	Conversion of the power plant from coal to biomass fuel



2021	Installation of a cutting-edge paper machine with a capacity of 85,000 MT
2021	Installation of a 1.5 MW Thermal Power Plant
2023	Transition of 50% of fuel usage from biomass to RDF (Refuse-Derived Fuel)

#### **OUR HOLDING COMPANY**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

#### **OUR SUBSIDIARY, JOINT VENTURE AND ASSOCIATES**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary, joint venture or Associates.

#### **STRATEGIC PARTNERS**

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

#### **FINANCIAL PARTNERS**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Red Herring Prospectus.

#### **DETAILS OF BUSINESS OF OUR COMPANY**

For details on the description of Our Company's activity, business model, marketing strategy, strength, completion of business, please see "Our Business", "Management Discussion and Analysis of Financial Conditions" and "Basis for Issue Price" on page 176, 288 and 119 of this Draft Red Herring Prospectus respectively.

#### **RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT**

For details regarding our capital raising activities through equity or debt, please see the section entitled "Capital Structure" and "Restated Financial Information" on page 76 and 237 respectively of this Draft Red Herring Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders.

#### **SHAREHOLDERS AGREEMENTS**

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

#### **OTHER AGREEMENTS**

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

#### **JOINT VENTURE AGREEMENTS**



Our Company has not entered into any joint venture agreement as on the date of this Draft Red Herring Prospectus.

#### **COLLABORATION AGREEMENTS**

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

#### **STRATEGIC PARTNERS**

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

#### **FINANCIAL PARTNERS**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Red Herring Prospectus.

#### **OTHER CONFIRMATIONS**

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

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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 our Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Draft Red Herring Prospectus, our Board consist of 7 (Seven) Directors, out of which 4 (Four) are Executive Directors and 3 (Three) are Non-Executive Directors independent director Mr. Ashok Kumar Bansal is the Managing Director of our Company and Mr. Sudhir Kumar Bansal is the chairperson.

S. No.	Name	DIN	Category	Designation
1.	Mr. Ashok Kumar Bansal	00321238	Executive	Managing Director
2.	Mr. Sudhir Kumar Bansal	00321226	Executive	Chairman and Director
3.	Mr. Ayush Bansal	00774900	Executive	Whole Time Director
4.	Ms. Sandhya Bansal	09190361	Executive	Director
5.	Mr. Ashok Kumar Mittal	00246177	Non-Executive	Independent Director
6.	Mr. Sudhir Kumar Jain	10442316	Non-Executive	Independent Director
7.	Mr. Akash Gupta	07392916	Non-Executive	Independent Director

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

S. No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship/partner
1.	<p><b>Name:</b> Mr. Ashok Kumar Bansal  <b>Designation:</b> Managing Director  <b>Address:</b> 544-B Kamla Colony, Shamli Uttar Pradesh - 247776  <b>Date of Birth:</b> October 08, 1959  <b>Qualification:</b> Bachelor of Commerce  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Term:</b> 5 years  <b>Date of Appointment:</b> Since incorporation  <b>Date of Appointment as MD:</b> March 12, 2024  <b>Date of Expiration as MD:</b> March 11, 2029  <b>DIN:</b> 00321238</p>	64	1. Alliance Farms and Agriculture Limited
2.	<p><b>Name:</b> Mr. Sudhir Kumar Bansal  <b>Designation:</b> Chairman &amp; Director  <b>Address:</b> 544-B Kamla Colony, Shamli Uttar Pradesh-247776  <b>Date of Birth:</b> May 10, 1957  <b>Qualification:</b> Bachelor in Science  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Date of Appointment:</b> Since Incorporation  <b>Date of Appointment as Chairman:</b> March 12, 2024  <b>DIN:</b> 00321226</p>	67	1.Alliance Farms and Agriculture Limited 2.Shamli Steels Private Limited 3.Radiant Acids & Alkalies Limited.

3.	<p><b>Name:</b> Mr. Ayush Bansal  <b>Designation:</b> Whole Time Director  <b>Address:</b> 544-B Kamla Colony, Shamli Uttar Pradesh-247776  <b>Date of Birth:</b> August 07, 1981  <b>Qualification:</b> PGDM from Fore School of Management  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Term:</b> 5 years  <b>Date of Appointment:</b> September 14, 2004  <b>Date of Appointment as WTD:</b> April 01, 2021  <b>Date of Expiration as WTD:</b> March 31, 2026  <b>DIN:</b> 00774900</p>	42	<p>1.Alliance Farms and Agriculture Limited  2.Globalinks Green Enviro LLP</p>
4.	<p><b>Name:</b> Ms. Sandhya Bansal  <b>Designation:</b> Director  <b>Address:</b> 544-B Kamla Colony, Shamli Uttar Pradesh - 247776  <b>Date of Birth:</b> January 22, 1959  <b>Qualification:</b> MA Hindi  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Date of Appointment:</b> June 02, 2021  <b>DIN:</b> 09190361</p>	65	Nil
5.	<p><b>Name:</b> Mr. Ashok Kumar Mittal  <b>Designation:</b> Independent Director  <b>Address:</b> 357 Karnal Road Kaka Nagar, Shamli, 247776, Uttar Pradesh, India  <b>Date of Birth:</b> November 16, 1954  <b>Qualification:</b> Bachelor in Science  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Term :</b> 5 Years  <b>Date of Appointment:</b> January 24, 2024.  <b>Date of Expiration of term</b> January 23, 2029  <b>DIN:</b> 00246177</p>	69	<p>1. Kamaan Healthcare Private Limited  2. Radiant Acids &amp; Alkalies Limited.  3. Bhawani Acids &amp; Alkalies Private Limited  4. Redivv creations private limited</p>
6.	<p><b>Name:</b> Mr. Akash Gupta  <b>Designation:</b> Independent Director  <b>Address:</b> 3094, Gali No. 3 Dharampur, Near Gurudwara, Gandhi Nagar, East Delhi, India -110031  <b>Date of Birth:</b> May 13, 1987  <b>Qualification:</b> Chartered Accountant  <b>Occupation:</b> Professional  <b>Nationality:</b> Indian  <b>Term:</b> 5 Years  <b>Date of Appointment:</b> January 24, 2024.  <b>Date of Expiration of Term:</b> January 23, 2029  <b>DIN:</b> 07392916</p>	37	ECA Partners LLP
7.	<p><b>Name:</b> Sudhir Kumar Jain  <b>Designation:</b> Independent Director  <b>Address:</b> 243 Kamla Colony, Shamli, Muzaffarnagar, Uttar Pradesh India- 247776  <b>Date of Birth:</b> December 26, 1959  <b>Qualification:</b> Chartered Accountant  <b>Occupation:</b> Professional  <b>Nationality:</b> Indian  <b>Terms:</b> 5 years</p>	64	Nil



<p><i>Date of Appointment:</i> January 24, 2024 <i>Date of Expiration as ID:</i> January 23, 2029 <i>DIN:</i> 10442316</p>		
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## **BRIEF PROFILE OF THE DIRECTORS OF OUR COMPANY**

### **Mr. Ashok Kumar Bansal (Managing Director)**

Mr. Ashok Kumar Bansal serves as the Managing Director of Nikita. He holds a graduate degree in Management. His roles include driving sales and marketing, leadership, and decision-making. As Managing Director of Nikita, Mr. Ashok Bansal leads the company. He is also a director at Nikita Papers Ltd and Alliance Farms & Agriculture Ltd. skills include understanding the paper industry, decision-making, and leadership.

### **Mr. Sudhir Kumar Bansal (Chairman)**

Mr. Sudhir Kumar Bansal serves as the Chairman at Nikita Papers Limited. He is a graduate in Management with experience in Manufacturing and Plant Management. Mr. Bansal is known for his leadership skills and decision-making ability.

At Nikita Papers Limited, Mr. Bansal plays a key role in guiding the company. He is also a director at Nikita Papers Ltd and Alliance Farms & Agriculture Ltd. Known for his understanding of the paper industry, Mr. Sudhir Bansal provides strategic insight and leadership for the organizations.

### **Mr. Ayush Bansal, (Whole Time Director)**

Mr. Ayush Bansal serves as the Whole Time Director of Nikita Papers Limited. He has over 20 years of experience in the paper & forest products industry. His skills in negotiation, management, strategic planning, business development, and business strategy have supported the company's success.

Mr. Ayush holds a Post Graduate Diploma in Business Management with a focus on Finance from Fore School of Management. His leadership has guided NIKITA through growth and innovation, contributing to the company's success in the paper industry from 2004 to 2024.

### **Ms. Sandhya Bansal, (Director)**

Ms. Sandhya Bansal serves as the Director of Marketing at Nikita Papers Limited since 02/06/2021. She has a career spanning 32 years and worked as a Freelancing Marketing Strategist before her current role.

In her position at Nikita Papers Limited, Ms. Sandhya Bansal contributes experience and strategic thinking to the company's marketing efforts. Her time as a Freelancing Marketing Strategist shows her versatility in developing marketing strategies.

With experience in corporate and freelance roles, Ms. Sandhya Bansal is a valuable asset to Nikita Papers Limited. Her contributions support the company's growth and success in marketing. With commitment and leadership, she shapes the company's marketing strategies with creativity and vision.

### **Mr. Ashok Kumar Mittal, (Independent Director)**

Mr. Ashok Kumar Mittal, aged 70 years Completed Graduation (B. Sc) in 1976 from DAV College, Muzaffar Nagar (UP) and Started Automobile Dealership in Sep. 1976 which continued upto March 2004. Thereafter Started Chemical Industry in 1997 and continue till date with the status of largest manufacture of Ferrous Sulphate (Fertilizer) in India. Further He has been mentoring various Other Social Activities and active in many social organizations with various position held Joined Lions Club International as member in Sep. 1979. Executive member of VV Inter College Management Committee, Shamli from 1985 – 1990, President of Lions Club Shamli in 1999 - 2000 and 2018 – 2019, Life member and Chairman of Lala Gangasharan Lions Eye Hospital Charitable Trust from 2021 – 2023, Promoter & Managing Director of Bhawani Acids & Alkalies Pvt. Ltd, Director of Kamaan Healthcare Pvt. Ltd.



### **Mr. Akash Gupta, (Independent Director)**

Mr. Akash Gupta is a Fellow Chartered accountant with more than 10 years of experience in the field of finance, tax & planning. Mr. Akash Gupta has honorable doctorate from Mother Theresa University.

### **Mr. Sudhir Kumar Jain, (Independent Director)**

Sudhir Kumar Jain aged 65 years qualified Chartered accountant in 1985. He started his practice at Shamli in October 1985 as proprietor of Jain Sudhir & Associates. He has experience of projects financing, Bank Branch Audit, Company Audit, Income Tax since 1985.

#### **Note:**

1)None of the above-mentioned Directors are on the RBI List of wilful defaulters as on the date of this Draft Red Herring Prospectus.

2)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.

3) 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**

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

S. No.	Name of the Director	Relationship with other director
1.	Mr. Ashok Kumar Bansal	Brother of Mr. Sudhir Kumar Bansal
2.	Mr. Ayush Bansal	Son of Mr. Sudhir Kumar Bansal & Mrs. Sandhya Bansal
3.	Mrs. Sandhya Bansal	Mother of Mr. Ayush Bansal Wife of Mr. Sudhir Kumar Bansal
4.	Mr. Sudhir Kumar Bansal	Brother of Mr. Ashok Kumar Bansal

#### **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 Draft Red Herring Prospectus, whose shares have been / were suspended from being traded on 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, consumers, 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, consumers, 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

### 1. Executive Directors

<b>Name</b>	<b>Mr. Ashok Kumar Bansal</b>
<b>Designation</b>	Managing Director
<b>Period</b>	5 years
<b>Date of approval of shareholder</b>	March 12, 2024
<b>Remuneration</b>	Rs. 30 LPA
<b>Perquisite</b>	Medical Re-imburement: Reimbursement of actually incurred expenses on Medical & Hospitalization for the Director & family. Leave Travel Concession: for Managing Director & family once in year.
<b>Name</b>	<b>Mr. Sudhir Kumar Bansal</b>
<b>Designation</b>	Chairman & Director
<b>Date of approval of shareholder</b>	March 12, 2024
<b>Remuneration</b>	As the discretion of Board of Directors
<b>Perquisite</b>	Medical Re-imburement: Reimbursement of actually incurred expenses on Medical & Hospitalization for the Director & family. Leave Travel Concession: for the Chairman & family once in year.
<b>Name</b>	<b>Mr. Ayush Bansal</b>
<b>Designation</b>	Whole time Director
<b>Period</b>	5 Years
<b>Date of Appointment</b>	April 01, 2011
<b>Remuneration</b>	As the discretion of Board of Directors
<b>Perquisite</b>	Medical Re-imburement: Reimbursement of actually incurred expenses on Medical & Hospitalization for the Whole time Director & family. Leave Travel Concession: for the Whole time Director & family once in year.
<b>Name</b>	<b>Ms. Sandhya Bansal</b>
<b>Designation</b>	Directors
<b>Period</b>	NA
<b>Date of Appointment</b>	June 02, 2021
<b>Remuneration</b>	Rs. 24 LPA
<b>Perquisite</b>	NA

### 2. 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. They are entitled to a sitting fee for attending the meeting of the Board and the Committee thereof respectively.

*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 Draft Red Herring 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. Ashok Kumar Bansal	25,43,853	14.00%
2.	Mr. Ayush Bansal	2,98,490	1.64%
3.	Ms. Sandhya Bansal	9,47,150	5.21 %
4.	Mr. Sudhir Kumar Bansal	17,75,930	9.77%

## 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, or 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 Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our Directors 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*” in the chapter titled “*Financial Information*” beginning on page 270 of this Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Red Herring 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 director 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 chapter titled “*Financial Information*” beginning on page 237 of this Draft Red Herring 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 20, 2023 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 and securities premium account, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 500 Cr (Rupees Five hundred Crore Only) at any time.

## **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:

<b>Name of Director</b>	<b>Date of Event</b>	<b>Reason for Change</b>
Mr. Naresh Chandra Bansal	30/04/2021	Cessation as Whole-time director
Ms. Antara Rakesh	03/05/2021	Appointment as Additional Director
Ms. Antara Rakesh	02/06/2021	Cessation as Additional Director
Ms. Sandhya Bansal	02/06/2021	Appointed as Additional Director
Ms. Sandhya Bansal	30/11/2021	Appointed as Director
Mr. Ashok Kumar Mittal	24/01/2024	Appointed as Additional Director
Mr. Akash Gupta	24/01/2024	Appointed as Additional Director
Mr. Sudhir Kumar Jain	24/01/2024	Appointed as Independent Director
Mr. Sudhir Kumar Bansal	10/02/2024	Appointed as Additional Director
Mr. Ashok Kumar Bansal	12/03/2024	Appointed as Managing Director
Mr. Sudhir Kumar Bansal	12/03/2024	Appointed as Director and Chairman
Mr. Ashok Kumar Mittal	12/03/2024	Appointed as Independent Director



Mr. Akash Kumar Gupta	12/03/2024	Appointed as Independent Director
Mr. Sudhir Kumar Jain	12/03/2024	Appointed as Independent Director

## MANAGEMENT ORGANIZATIONAL STRUCTURE

For Management Organizational Structure please refer chapter titled “Our Business” on page 176 this Draft Red Herring Prospectus.

## CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. As on date of this Draft Red Herring 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, 23, 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 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
4. Corporate Social Responsibilities Committee

## AUDIT COMMITTEE

The Audit Committee was constituted *vide* resolution dated March 12, 2024 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Akash Gupta	Chairman	Independent Director
Mr. Ayush Bansal	Member	Executive director
Mr. Sudhir Kumar Jain	Member	Independent 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 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.
  21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
  22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**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 of the executives as it considers appropriate (and particularly 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 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 at least four times in a year and 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.

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee was constituted *vide* resolution dated March 12, 2024. As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Sudhir Kumar Jain	Chairman	Independent Director
Ashok Kumar Mittal	Member	Independent Director
Akash Kumar Gupta	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 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 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 cease to be a member of this committee.

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholder's Relationship Committee was constituted *vide* resolution dated March 12, 2024. As on the date of this Draft Red Herring Prospectus the Stakeholder's Relationship Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Ashok Kumar Mittal	Chairman	Independent Director
Sandhya Bansal	Member	Executive Director
Sudhir Kumar Jain	Member	Independent 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 stakeholder's relationship committee 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.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted *vide* resolution dated March 12, 2023, pursuant to Section 135 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Corporate Social Responsibility Committee comprises of:

Name of Director	Designation in the Committee	Nature of Directorship
Ashok Kumar Bansal	Chairman	Executive Director
Akash Gupta	Member	Independent Director
Sudhir Kumar Jain	Member	Independent Director

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

**The role of the Corporate Social Responsibility Committee includes, but not restricted to, the following:**

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company in areas or subject as specified in Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
3. To monitor the CSR policy of the Company from time to time;



4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The CSR committee is required to meet per the requirement of Companies Act, 2013 and other relevant provisions.

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.

#### COMPLIANCE WITH SME LISTING REGULATIONS

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE.

#### 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:

<b>Name</b>	: <b>ASHOK KUMAR BANSAL</b>
<b>Designation</b>	: Managing Director
<b>Date of Appointment</b>	: August 18, 1989
<b>Date of Appointment as MD</b>	: March 12, 2024
<b>Term of Office</b>	: 5 years
<b>Expiration of Term</b>	: March 11, 2029
<b>Qualification</b>	: Bachelor of Commerce
<b>Previous Employment</b>	: NA
<b>Overall Experience</b>	: Mr. Ashok Kumar Bansal serves as the Managing Director of Nikita. He holds a graduate degree in Commerce. His roles include driving sales and marketing, leadership, and decision-making. As Managing Director of Nikita, Mr. Ashok Bansal leads the company. He is also a director at Nikita Papers Ltd and Alliance Farms & Agriculture Ltd. skills include understanding the paper industry, decision-making, and leadership.
<b>Remuneration paid in F.Y. 2023-24)</b>	: Mr. Ashok Kumar Bansal appointed as Managing Director (MD) for a period of 5 years, with effect from 12 March, 2024. He has received remuneration of Rs. 24.00 LPA in FY 2023-24.
<b>Name</b>	: <b>AYUSH BANSAL</b>
<b>Designation</b>	: Whole Time Director
<b>Date of Appointment as WTD:</b>	: April 01, 2011
<b>Term of Office</b>	: 5 Years
<b>Expiration of Term</b>	: April 01, 2021 to March 31, 2026
<b>Qualification</b>	: PGDBM
<b>Previous Employment</b>	: NA



<b>Overall Experience</b>	: Ayush Bansal, the Whole time Director of Nikita Papers Limited, brings over 20 years of experience in the paper & forest products industry. He possesses skills in Negotiation, Management, Strategic Planning, Business Development, and Business Strategy.  Ayush is a business development professional, holding a Master of Business Administration (MBA) with Finance from Fore School of Management. His leadership has been pivotal in steering NIKITA through growth and innovation, making him a key promoter contributing to the company's sustained success in the paper industry from 2004 to 2024.
<b>Remuneration paid in F.Y. 2023-24)</b>	: Mr. Ayush Bansal was appointed as Whole Time Director on June 02, 2021, he received a remuneration of Rs. 24.00 LPA in financial year 2023-24 in the capacity of Whole time Director.
<b>Name</b>	: <b>SHEFALI GUPTA</b>
<b>Designation</b>	: Company Secretary
<b>Date of Appointment</b>	: January 24, 2024
<b>Term of Office</b>	: NA
<b>Expiration of Term</b>	: NA
<b>Qualification</b>	: Company Secretary, M. Com
<b>Previous Employment</b>	: SPFL Securities Ltd. Kanpur CS Gopesh Sahu, Practicing Company Secretary, Kanpur, Global Co-Operative Credit Society Limited
<b>Overall Experience</b>	: Has an Experience of more than nine years in the field of Corporate Secretarial, Compliances, Listing Regulations and NBFC and related matters.
<b>Remuneration paid in F.Y. 2023-24</b>	: Ms. Shefali Gupta was appointed as Company Secretary on 24/01/2024, she has received Rs. 60,000 as remuneration for the financial year 2023-24 in the capacity of Company Secretary.
<b>Name</b>	: <b>MR. ATUL AERON</b>
<b>Designation</b>	: Chief Financial Officer
<b>Date of Appointment</b>	: March 12, 2024
<b>Qualification</b>	: Masters of Commerce
<b>Previous Employment</b>	: Worked as Manager Finance in Charu Paper Mill
<b>Overall Experience</b>	: Mr. Atul Aeron, aged 57 years is the Chief Financial Officer of our Company. He has been appointed as a Chief Financial Officer of our Company with effect from March,12, 2024. He holds a degree in Bachelor of Commerce from Meerut University. He also holds a degree in Masters of Commerce from Meerut University in the year 1991. He is having an experience of more than 35 years in the field of Accounting, Finance, Banking, Market Research and Financial Market Strategies in the Business Development of the Company. Currently he holds the position of Vice President-Finance and looks after the finance related matters of the company and are appointed as CFO with effect from March 12, 2024
<b>Remuneration paid in F.Y. 2023-24</b>	: Mr. Atul Aeron was appointed as CFO with effect from March 12, 2024, He has not received any remuneration in the capacity of CFO, although Rs. 11.40 lacs were paid to him as remuneration for the F.Y. 2023.24.

**Notes:**

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.



- *There is no agreement or understanding with major shareholders, consumers, suppliers or others pursuant to which any of the above-mentioned personnel was selected as a director or member of senior management.*
- *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**

Except the following, there is no family relation between the KMPs.

S. No.	Name of the KMP	Designation	Relationship with other directors or KMPs
1.	Mr. Ashok Kumar Bansal	Managing Director	Brother of Mr. Sudhir Kumar Bansal
2.	Mr. Ayush Bansal	Whole-time director	Son of Mr. Sudhir Kumar Bansal & Mrs. Sandhya Bansal
3.	Mrs. Shefali Gupta	Company Secretary	NA
4.	Mr. Atul Aeron	Chief Financial Officer	NA

#### **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**

Except Mr. Ashok Kumar Bansal and Mr. Ayush Bansal who is holding, 25,43,853 and 2,98,490 equity shares of the Company, none of our Key Managerial Personnel is holding any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

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 from 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 (KMP) during the last three years:

S. No.	Name of KMP	Date of Appointment	Date of Cessation	Reason for Change
1.	Ashok Kumar Bansal	12/03/2024	NA	Appointment as Managing Director
2.	Atul Aeron	12/03/2024	NA	Appointment as Chief Financial officer



3.	Shefali Gupta	24/01/2024	NA	Appointment as Company Secretary & Compliance officer
4.	Naresh Chand Bansal	18/08/1989	30/04/2021	Cessation as whole time Director

**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**

Except as provided in restated financial statement in the chapter “*Financial Information*” beginning on page 237 of the Draft Red Herring Prospectus, there are no loans outstanding against the key managerial personnel as on the date of this Draft Red Herring 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 237 and 176 of this Draft Red Herring 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 Draft Red Herring 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.

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## OUR PROMOTERS

**The Promoters of our Company is:**

S. No.	Name	No. of Shares	Shareholding %
1.	Mr. Ashok Kumar Bansal	25,43,853	14.00
2.	Mr. Ayush Bansal	2,98,490	1.64
3.	Mr. Sudhir Kumar Bansal	17,75,930	9.77
4.	Mr. Anuj Bansal	10,04,720	5.53
5.	Mr. Abhinav Bansal	8,02,940	4.42
6.	Ashok Kumar Bansal & Sons HUF	2,94,500	1.62
7.	Sudhir Kumar Bansal & Sons HUF	1,65,490	0.91
8.	Naresh Chand Bansal & Sons HUF	3,05,387	1.68
9.	Ayush Bansal & Sons HUF	2,43,770	1.34
10.	Abhinav Bansal & Sons HUF	1,25,210	0.69
11.	Anuj Bansal & Sons HUF	63,650	0.35

*For details of the build-up of our promoters "shareholding in our Company, see section titled "Capital Structure" beginning on page 76 of this Draft Red Herring Prospectus.*

**Brief profile of our Individual Promoters is as under:**

	<b>Name</b>	Mr. Ashok Kumar Bansal
	<b>Date of Birth</b>	08.10.1959
	<b>Age</b>	64 Years
	<b>Qualification</b>	Bachelor of Commerce
	<b>Personal Address</b>	544-B Kamla Colony, Shamli Uttar Pradesh – 247776
	<b>Experience</b>	Having 40 years of experience in the paper industry and in driving sales and marketing, showcasing strong skills, and decision making.
	<b>PAN</b>	AETPB4868A
	<b>Directorship &amp; Other Ventures</b>	1.Alliance Farms & Agriculture Limited 2.Ashok Kumar Bansal & Sons HUF
	<b>Name</b>	Mr. Ayush Bansal
	<b>Date of Birth</b>	07.08.1981
	<b>Age</b>	42 Years
	<b>Qualification</b>	PGDBM from Fore School of Management
	<b>Personal Address</b>	544-B Kamla Colony, Shamli Uttar Pradesh – 247776
	<b>Experience</b>	Mr. Ayush Bansal, Whole time Director of Nikita Papers Limited, has 20 years in the paper & forest products industry. His skills in negotiation, management, strategic planning, business development, and strategy contribute to the company's success.
	<b>PAN</b>	AFRPB6708G
	<b>Directorship &amp; Other Ventures</b>	1. Alliance Farms & Agriculture Limited 2. Globalinks Green Enviro LLP 3. Ayush Bansal & Sons HUF

	<b>Name</b>	Mr. Sudhir Kumar Bansal
	<b>Date of Birth</b>	10.05.1957
	<b>Age</b>	67 Years
	<b>Qualification</b>	Bachelor in Science
	<b>Personal Address</b>	544-B Kamla Colony, Shamli Uttar Pradesh – 247776
	<b>Experience</b>	Mr. Sudhir Kumar Bansal has over four decades in the paper industry. As Chairman of Nikita Papers Limited and director of Alliance Farms & Agriculture Ltd, he guides the companies with strategic decisions and leadership, driving their growth and success.
	<b>PAN</b>	ACRPB7476N
	<b>Name</b>	Mr. Anuj Bansal
	<b>Date of Birth</b>	07.12.1988
	<b>Age</b>	35 Years
	<b>Qualification</b>	Bachelor of Business Administration
	<b>Personal Address</b>	544-B Kamla Colony, Shamli Uttar Pradesh 247776
	<b>Experience</b>	Mr. Anuj Bansal have 14 years of experience as the Director of Shamli Steels Pvt Ltd. and involved in import development and procurement.
	<b>PAN</b>	ALXPB3122G
	<b>Driving License</b>	UP1920080025403
	<b>Directorship &amp; Other Ventures</b>	1. Shamli Steels Private Limited
	<b>Name</b>	Mr. Abhinav Bansal
	<b>Date of birth</b>	19.08.1986
	<b>Age</b>	37 Years
	<b>Qualification</b>	B. Tech, MBA
	<b>Personal Address</b>	544-B Kamla Colony, Shamli Uttar Pradesh 247776
	<b>Experience</b>	Mr. Abhinav Bansal having 13 years of experience as Director of Shamli Steels Pvt Ltd. and involved in innovative venture of waste to energy management at Global Green Enviro LLP
	<b>PAN</b>	AJIPB8821D
	<b>Driving License</b>	UP1920050017130
<b>Directorship &amp; Other Ventures</b>	1. Shamli Steels Private Limited 2. Globalinks Green Enviro LLP 3. Abhinav Bansal & HUF	

#### HUFs forming part of Promoters

<b>Name</b>	Ashok Kumar Bansal & Sons HUF
<b>Came Into Existence</b>	19/08/1986
<b>Karta</b>	Ashok Kumar Bansal



<b>Coparceners</b>	Neera Bansal, Abhinav Bansal, Anuj Bansal, Rachit Bansal
<b>PAN</b>	AABHA4103K
<b>Address</b>	544-B Kamla Colony, Shamli Uttar Pradesh – 247776

<b>Name</b>	Naresh Chand Bansal & Sons HUF
<b>Came Into Existence</b>	10/05/1957
<b>Karta</b>	Sudhir Kumar Bansal
<b>Coparceners</b>	Mithlesh Bansal, Sudhir Bansal, Ashok Bansal, Sangeeta Gupta
<b>PAN</b>	AAAHN4324C
<b>Address</b>	544-B Kamla Colony, Shamli Uttar Pradesh – 247776

<b>Name</b>	Sudhir Kumar Bansal & Sons HUF
<b>Came Into Existence</b>	08/02/1982
<b>Karta</b>	Sudhir Kumar Bansal
<b>Coparceners</b>	Sandhya Bansal, Ayush Bansal, Nikita Agarwal, Ankita Agarwal
<b>PAN</b>	AADHS0832F
<b>Address</b>	544-B Kamla Colony, Shamli Uttar Pradesh – 247776

<b>Name</b>	Ayush Bansal & Sons HUF
<b>Came Into Existence</b>	03/09/2008
<b>Karta</b>	Ayush Bansal
<b>Coparceners</b>	Riha Bansal, Paarth Bansal, Samarth Bansal
<b>PAN</b>	AAJHA6736N
<b>Address</b>	544-B Kamla Colony, Shamli Uttar Pradesh – 247776

<b>Name</b>	Abhinav Bansal & Sons HUF
<b>Came Into Existence</b>	17/02/2014
<b>Karta</b>	Abhinav Bansal
<b>Coparceners</b>	Antara Rakesh, Vansh Bansal, Mishima Bansal
<b>PAN</b>	AAOHA2334R
<b>Address</b>	544-B Kamla Colony, Shamli Uttar Pradesh – 247776

<b>Name</b>	Anuj Bansal & Sons HUF
<b>Came Into Existence</b>	25/07/2016
<b>Karta</b>	Anuj Bansal
<b>Coparceners</b>	Suruchi Mittal, Shivansh Bansal, Arman Bansal
<b>PAN</b>	AARHA3310C
<b>Address</b>	544-B Kamla Colony, Shamli Uttar Pradesh – 247776

*For details pertaining to other ventures of our Promoters, refer chapter titled “Our Group Entities” beginning on page no. 232 of this Draft Red Herring Prospectus.*

#### **RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS**

Our Promoters are the part of our board of directors as Managing Director and Director. Except as disclosed herein, 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.

<b>Promoters</b>	<b>Director</b>	<b>Relationship</b>
Mr. Ashok Kumar Bansal	Mr. Ashok Kumar Bansal	Self



Mr. Ayush Bansal	Mr. Sudhir Kumar Bansal	Son
Mr. Sudhir Kumar Bansal	Mr. Sudhir Kumar Bansal	Self
Mr. Anuj Bansal	Mr. Ashok Kumar Bansal	Son
Mr. Abhinav Bansal	Mr. Ashok Kumar Bansal	Son

## OTHER 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 Emerge Platform of NSE, where the securities of our Company are proposed to be listed at the time of submission of Draft Red Herring Prospectus.
- Our Promoters have confirmed that they have not been identified as wilful 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.

## 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 do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Draft Red Herring Prospectus.

### *Interest as member of Our Company*

Our Promoters held 76,23,940 Equity Shares aggregating to 41.95 % 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 as given in the chapter titled “*Our Management*” beginning on page 209 of this Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.

### *Interest as Director of our Company*

Except as stated in the “*Statement of Related Party Transactions*” beginning on page 270 of the Draft Red Herring 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.

### *Other Ventures of our Promoters*

Save and except as disclosed in the chapters titled “*Our Group Entities*” beginning on page 232 of the Draft Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

### *Change in the control of Our Company*

At the time of incorporation of Company there were 2 Promoters (Mr. Sudhir Kumar Bansal and Mr. Ashok Kumar Bansal) of Company. Now, Company is under the control of 11 Promoters (Mr. Sudhir Kumar Bansal, Mr. Ashok Kumar Bansal, Mr. Abhinav Bansal, Mr. Ayush Bansal, Mr. Anuj Bansal,



Ashok Kumar Bansal & Sons HUF, Naresh Chand Bansal & Sons HUF and Sudhir Kumar Bansal & Sons HUF, Ayush Bansal & Sons HUF, Abhinav Bansal & Sons HUF, Anuj Bansal & Sons HUF).

### ***Litigation involving our Promoters***

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 298 of this Draft Red Herring Prospectus.

### **Payment of benefits to our Promoters and Promoter Group during the last two years**

Save and except as disclosed under “*Statement of Related Party Transactions*”, as Restated appearing on page 270 of the section titled “*Financial Information*” beginning on page 237 of the Draft Red Herring Prospectus, there has been no Payment or benefit to promoters during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

### **OTHER CONFIRMATIONS**

As on the date of this Draft Red Herring 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 five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 298 of this Draft Red Herring Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as willful defaulters nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

### **GUARANTEES**

Except as stated in the section titled “*Financial Information*” beginning on page 237 of this Draft Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

### **RELATED PARTY TRANSACTIONS**

For details of related party transactions entered into by our Company, please refer to “*Statement of Related Party Transactions*”, as Restated appearing on page 270 of the section titled “*Financial Information*” beginning on page 237 of the Draft Red Herring Prospectus.

### **INFORMATION OF OUR GROUP COMPANIES**

For details related to our group companies please refer “Our Group Entities” on page 232 of this Draft Red Herring Prospectus.

## 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:

Promoters	Promoter 1	Promoter 2	Promoter 3	Promoter 4	Promoter 5
<b>Name</b>	Ashok Kumar Bansal	Sudhir Kumar Bansal	Ayush Bansal	Anuj Bansal	Abhinav Bansal
<b>Father</b>	Late N.C Bansal	Late N.C Bansal	Sudhir Bansal	Ashok Bansal	Ashok Bansal
<b>Mother</b>	Mithlesh Bansal	Mithlesh Bansal	Sandhya Bansal	Neera Bansal	Neera Bansal
<b>Spouse</b>	Neera Bansal	Sandhya Bansal	Riha Bansal	Suruchi Mittal	Antara Rakesh
<b>Brother</b>	Sudhir Bansal	Ashok Kumar Bansal	NA	Abhinav Bansal, Rachit Bansal	Anuj Bansal & Rachit Bansal
<b>Sister</b>	Sangeeta Gupta	Sangeeta Gupta	Nikita Agarwal & Ankita Garg	NA	NA
<b>Sons</b>	Abhinav Bansal, Anuj Bansal & Rachit Bansal	Ayush Bansal	Parth Bansal, Samarth Bansal (All Minor)	Shivansh Bansal, Arman Bansal (All Minor)	Vansh Bansal (Minor)
<b>Daughters</b>	NA	Nikita Agarwal & Ankita Garg	NA	NA	Mishika Bansal (Minor)
<b>Spouse Father</b>	Harsharan Das Agarwal	Rameshwar Agarwal	Ravinder Manchanda	Suresh Mittal	Rakesh Sinha
<b>Spouse Mother</b>	Mithlesh Rani	Yashoda Devi	Kanwal Manchanda	Asha Mittal	Manju Sinha
<b>Spouse Brothers</b>	Sudhir Agarwal	Sunil Agarwal	NA	Rachit Mittal	NA
<b>Spouse Sisters</b>	NA	NA	Pooja Manchanda	Aditi Bansal	NA

Details of HUF Promoters are as under:

Promoters	Ashok Kumar Bansal & Sons HUF	Naresh Chand Bansal & Sons HUF	Sudhir Kumar Bansal & Sons HUF	Ayush Bansal & Sons HUF	Abhinav Bansal & Sons HUF	Anuj Bansal & Sons HUF
<b>Karta</b>	Ashok Kumar Bansal	Sudhir Bansal	Sudhir Bansal	Ayush Bansal	Abhinav Bansal	Anuj Bansal
<b>Coparceners</b>	Neera Bansal, Abhinav	Mithlesh Bansal, Sudhir Bansal, Ashok	Sandhya Bansal, Ayush	Riha Bansal, Paarth Bansal,	Antara Rakesh, Vansh	Suruchi Mittal, Shivansh



	Bansal, Anuj bansal, Rachit Bansal	Bansal, Sangeeta Gupta	Bansal, Nikita Agarwal, Ankita Agarwal	Samarth Bansal	Bansal, Mishika Bansal	Bansal, Arman Bansal
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**B. Companies, partnership and proprietorship firms forming part of our Promoter Group are as follows:**

Particulars	Entity
Any body 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.	Shamli Steels Pvt Ltd, Radiant Acids & Alkalies Pvt Ltd, Alliance Farms & Agriculture Ltd
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 relatives is equal to or more than 20% of the total holding	Globalinks Green Enviro LLP

### 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 the section titled “Outstanding Litigations and Material Developments” on page 298 of the Draft Red Herring Prospectus.

### DEFUNCT GROUP COMPANIES

There is no defunct Group Companies of our Company as on the date of this Draft Red Herring Prospectus.

### UNDERTAKING / CONFIRMATIONS

Our Promoters and Group Companies confirm that they have not been declared as a willful 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 Promoters or Promoter Group Companies or persons in control of the Promoters has been:

- Prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority; or
- 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 Promoter has not been disassociated himself from the any entities/firms during 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 in chapter titled “Financial Information” and “Related Party Transaction” on page 270 and of this Draft Red Herring Prospectus.

### **(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring 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 Draft Red Herring Prospectus with Stock Exchange.

### **(c) In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

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## OUR GROUP COMPANIES / ENTITIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of group companies, our Company has considered (i) the companies (other than our Promoter(s) and Subsidiaries) with which there are related party transactions during the period for which financial information is disclosed in the Restated Financial Statements, as covered under the applicable account standards (i.e., Ind AS 24), and (ii) such other companies as considered material by our Board pursuant to the Materiality Policy.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the preceding three financial years, extracted from their respective audited financial statements (as applicable) are available at the website indicated below.

Our Company is providing links to such website solely to comply with the requirements specified under the SEBI ICDR Regulations. None of our Company, the BRLMs or any of our Company's or the BRLMs' respective directors, employees, affiliates, associates, advisors, agents or representatives have verified the information available on the websites indicated below.

### COMMON PURSUITS

There are no common pursuits amongst our group companies and our Company which is into similar line of business.

### RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

Other than the transactions disclosed in the section “*Related Party Transactions*” on page 270 , there are no other business transactions between our Company and Group Companies which are significant to the financial performance of our Company.

### BUSINESS INTERESTS OR OTHER INTERESTS

Except as disclosed in “*Related Party Transactions*” on page 270 , our Group Companies do not have any business interest in our Company.

### HOLDING COMPANY OF OUR COMPANY

Our Company does not have any holding company as on the date of filing of this Draft Red Herring Prospectus.

### GROUP COMPANIES OF OUR COMPANY

Except as below mentioned, the Company does not have any subsidiary as on the date of this Draft Red Herring Prospectus our company.

S. No	Company Name	Relationship (Our promoter/directors having directorship in the entity)	(%) of Shareholding of Nikita Papers Limited (if any)
1	Alliance Farms and Agriculture Limited	Ashok Kumar Bansal Sudhir Kumar Bansal Ayush Bansal	Nil
2	Radiant Acids & Alkalies Limited	Sudhir Kumar Bansal	Nil
3	Shamli Steels Private Limited	Sudhir Kumar Bansal Abhinav Bansal Anuj Bansal	6.57%



Below mentioned are details of group companies:

**A) Alliance Farms and Agriculture Limited**

Date of Incorporation	06.10.2006
CIN	U01409DL2006PLC154415
Registered Office	A-10, First Floor, Saraswati Vihar, Pitampura, Delhi-110034
Nature of Activities	Service Provider-Banquet

(Rs. in Lakhs)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Equity Share Capital	147.00	147.00	147.00
Reserves	(12.73)	(13.03)	(13.65)
Revenue from Operations	16.25	15.75	11.55
Profits After Tax	0.29	0.62	0.15
Earning Per Share	0.02	0.04	0.01
Diluted Earning Per Share	0.02	0.04	0.01
Net Asset Value	134.27	133.97	133.35

**B) Radiant Acids & Alkalies Limited**

Date of Incorporation	25.02.2008
CIN	U45400DL2008PLC174494
Registered Office	17-C Pocket- D, SFS Flats Mayur Vihar Phase III, New Delhi-110096
Nature of Activities	Paper Pulping

(Rs. in Lakhs)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Equity Share Capital	5.00	5.00	5.00
Reserves	(0.51)	(0.46)	(0.41)
Revenue from Operations	Nil	Nil	Nil
Profits After Tax	(0.046)	(0.057)	(0.058)
Earning Per Share	0	0	0
Diluted Earning Per Share	0	0	0
Net Asset Value	4.49	4.54	4.59

**C) Shamli Steels Private Limited**

Date of Incorporation	22.11.1999
CIN	U27106DL1999PTC102497
Registered Office	G-1, Plot No. 12, GF, Bargodia Tower D Block, Central Market, Prashant Vihar, Delhi- 110085
Nature of Activities	Steel making

(Rs. in Lakhs)

Particulars	FY 2022-23	FY 2021-22	FY 2020-21
Equity Share Capital	1901.75	1901.75	1901.75
Reserves	1172.05	1033.19	817.51
Revenue from Operations	32140.61	34068.04	25533.90
Profits After Tax	138.86	219.93	113.49
Earning Per Share	0.73	1.16	0.60
Diluted Earning Per Share	0.73	1.16	0.60
Net Asset Value (Excluding Deferred Tax )	3224.96	3046.39	2818.90

**OTHER GROUP ENTITIES**

The details of our Group entities are provided below:



Name of Firm	Globalinks Green Enviro LLP	Grreenit LLP
LLPIN	ACB-8071	AAN-6466
Date of incorporation	30/06/2023	06/12/2018
Status	Limited Liability Partnership	Limited Liability Partnership
Nature of Business	Consultancy services in designing and implementation of web portals	Transportation, Treatment and Disposal of pawaste
Regd Off:	Papers Unit-Ii, Industrial Estate, Shamli, Kandela, Muzaffarnagar, Kairana, Uttar Pradesh, India, 247774	Ashok Kumar Mittal S/o B M Mittal Jhinjhina Road, Muzaffarnagar, Shamli, Uttar Pradesh, India, 247776
Name of Partners	1. Abhinav Bansal 2. Ayush Bansal	1. Riha Bansal 2. Antara Rakesh 3. Madhu Mittal
Profit sharing ratio	1:1	1:0.5:0.5

### OTHER CONFIRMATIONS

- a. None of our group Companies have any interest in the promotion of our Company.
- b. None of our Group Companies is interested in the properties acquired by our Company in the three years preceding the fling of this Draft Red Herring Prospectus, or proposed to be acquired. Further, our Group Companies have not made any public or rights issue of securities in the three years preceding the date of this Draft Red Herring Prospectus.
- c. The securities of our Group Companies are not listed on any stock exchange (in India or abroad).
- d. Our Group Companies have not failed to meet the listing requirements or have failed to list on any recognised stock exchange in India or abroad.

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## RELATED PARTY TRANSACTION

For details on related party transaction of our Company, please refer to Restated Financial Statements beginning on page 237 of this Draft Red Herring Prospectus.

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## 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 dividend in any Financial Year.

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## SECTION VI – FINANCIAL INFORMATION

### INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION OF NIKITA PAPERS LIMITED (AS REQUIRED BY SECTION 26 OF COMPANIES ACT, 2013 READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014)

To,

**The Board of Directors**

Nikita Papers Limited  
A-10, First Floor,  
Near Deepali Chowk,  
Saraswati Vihar, Pitampura,  
New Delhi- 110034

Dear Sir/ Ma'am,

1. We have examined the attached Restated Financial Information of Nikita Papers Limited (hereinafter referred as "the Company" or the "Issuer") comprising the Restated Statement of Assets and Liabilities of the Company as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statements of Profit and Loss of the company, the Restated Cash Flow Statement of the company for the period ended on March 31, 2024, March 31, 2023 and March 31, 2022, the Statement of Significant Accounting Policies adopted by the company and notes to the restated financial information (collectively hereinafter referred as "Restated Financial Statement" or "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on June 15, 2024 for the purpose of inclusion in the Offer Document prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") at SME Platform of NSE Limited ("NSE Emerge").

2. These restated Statement have been 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 ("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 time to time (the "Guidance Note").

3. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Document to be filed with Securities and Exchange Board of India ("SEBI"), the relevant Stock Exchange ("NSE Emerge") and Registrar of Companies ("ROC"), NCT Delhi and Haryana in connection with the proposed SME IPO. The Restated Financial Information of the company have been extracted and prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.



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

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed IPO of equity shares of the Issuer;
- 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 Information; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

5. This Restated Financial Information have been compiled by the management from:

- a) Audited financial statements of the Company as at and for the period ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with the Indian Accounting Standards (“Indian GAAP”) which have been approved by the Board of Directors at their meeting held on 15th June, 2024, 1st September, 2023 and 3rd September, 2022 respectively.

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

- b) Auditors’ Report issued by us dated 15th June, 2024, by M/s. Agarwal Ajay & Associates dated 1st September, 2023 and 3rd September, 2022 on the financial statements of the company as at and for the period ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively, as referred in Paragraph 5(a) above.

Reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss and cash flow statements, the Statement of Significant Accounting Policies adopted by the company and notes to the restated financial information (collectively hereinafter referred as “Restated Financial Statement” or “Restated Financial Information”) examined by us for the said years.

7. Based on our examination and according to the information and explanations given to us, we report that:

- a) The “Restated Statement of Assets and Liabilities” as set out in Annexure I to this report, of the Company as at and for period ended on March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Statement of Assets and Liabilities have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
- b) The “Restated Statement of Profit and Loss” as set out in Annexure II to this report, of the Company as at and for the period ended March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
- c) The “Restated Statement of Cash Flow” as set out in Annexure III to this report, of the Company as



at and for the period ended March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.

- d) The Restated Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
- e) The Restated Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments;
- f) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
- g) There were no qualifications in the Audit Reports issued by the Statutory Auditors as at and for the period ended March 31, 2024, March 31, 2023 and March 31, 2022.
- h) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV to this report;
- i) Adjustments in Restated Statements have been made in accordance with the correct accounting policies, which includes the impact of adjustments for Deferred Tax Assets/Liabilities made basis in the Restated Statements;
- j) The company has not proposed any dividend in past effective for the said period.

8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the period ended March 31, 2024, March 31, 2023 and March 31, 2022 proposed to be included in the Offer Document.

**Annexures of Restated Financial Statements of the Company: -**

1. Details of Equity Share Capital as restated as appearing in note I.1 to this report.
2. Details of Reserve & Surplus as Restated as appearing in note - I.2 to this report.
3. Details of Long-Term Borrowings as Restated as appearing in note- I.3 to this report.
4. Details of Other Long-Term Liabilities as Restated as appearing in note- I.4 to this report.
5. Details of Deferred Tax Liability (Net) as Restated as appearing in note- I.5 to this report.
6. Details of Long-Term Provision as Restated as appearing in note- I.6 to this report.
7. Details of Short-Term Borrowings as Restated as appearing in note- I.7 to this report.
8. Details of Trade Payables as Restated as appearing in note- I.8 to this report.
9. Details of Other Current Liabilities as Restated as appearing in note- I.9 to this report.

10. Details of Short-Term Provision as Restated as appearing in note- I.10 to this report
11. Details of Fixed Assets as Restated as appearing in note- I.11 to this report.
12. Details of Non-Current Investments as Restated as appearing in note- I.14 to this report.
13. Details of Long-Term Loans & Advances as Restated as appearing in note- I.15 to this report.
14. Details of Other Non-Current Assets as Restated as appearing in note- I.16 to this report.
15. Details of Inventories as Restated as appearing in note- I.17 to this report.
16. Details of Trade Receivables as Restated enclosed as note- I.18 to this report.
17. Details of Cash and Cash Equivalents as Restated enclosed as note- I.19 to this report.
18. Details of Short-Term Loans & Advances as Restated as appearing in note- I.20 to this report.
19. Details of other Current Assets as Restated as appearing in note- I.21 to this report.
20. Details of Revenue from operations as Restated as appearing in note- II.1 to this report.
21. Details of Other Income as Restated as appearing in note- II.2 to this report.
22. Details of Cost of Purchases as Restated as appearing in note- II.3 to this report.
23. Details of Purchases of Stock in Trade as Restated as appearing in note- II.4 to this report.
24. Details of Changes in Inventories of Stock-In-Trade as Restated as appearing in note- II.5 to this report.
25. Details of Employee Benefit Expenses as Restated as appearing in note- II.6 to this report.
26. Details of Finance Cost as Restated as appearing in note- II.7 to this report.
27. Details of Depreciation and Amortization as Restated as appearing in note- II.8 to this report.
28. Details of Other expenses as Restated as appearing in note- II.9 to this report.
29. Reconciliation of Restated Profit as appearing in Annexure V to this report.
30. Reconciliation of Other notes to the Restated Financial Statements as appearing in Annexure VI to this report.
31. Statement of Contingent Liabilities as Restated as appearing in Annexure VII to this report.
32. Details of Related Parties Transactions as Restated as appearing in Annexure VIII to this report;
33. Details of Accounting Ratios as Restated as appearing in Annexure IX to this report
34. Statement of Capitalization as Restated as at 31<sup>st</sup> March 2024 as appearing in Annexure X to this report.



35. Statement of Employee Benefit as Restated as appearing in Annexure XI to this report.

36. Statement of Tax shelter as Restated as appearing in Annexure XII to this report.

9. We, M/s Mittal Goel & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim financial statements and audited financial statements mentioned in paragraph 5 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by the Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document to be filed with Securities and Exchange Board of India (“SEBI”), the relevant stock exchange (“NSE Emerge”) and Registrar of Companies (“ROC”) in connection with the proposed SME IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Mittal Goel & Associates**  
Chartered Accountants  
FRN: 017577N

Sd/-  
**Sandeep Kumar Goel**

Partner  
Membership No. 099212  
Place: Chandigarh  
Date: 15.06.2024

UDIN:24099212BKCZOT3952

**ANNEXURE I- RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Particulars		Note No.	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>I</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>Shareholders' Funds</b>				
	(a) Equity Share Capital	I.1	1,817.35	861.35	861.35
	(b) Reserves and Surplus	I.2	5,919.90	4,612.83	3,748.31
	<b>Non-Current Liabilities</b>				
	(a) Long-Term Borrowings	I.3	4,808.70	6,851.32	7,751.48
	(b) Other Long-Term Liabilities	I.4	33.55	398.56	406.26
	(c) Deferred Tax Liabilities (net)	I.5	637.56	482.69	369.25
	(d) Long-Term Provisions	I.6	82.17	70.09	62.75
	<b>Current liabilities</b>				
	(a) Short-Term Borrowings	I.7	14,115.15	9,450.94	4,722.83
	(b) Trade Payables	I.8			
	(i) total outstanding dues of micro enterprises and small enterprises				
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,571.50	2,294.52	4,671.30
	(c) Other Current Liabilities	I.9	641.76	649.02	930.21
	(d) Short-Term Provisions	I.10	272.82	8.38	6.20
	<b>TOTAL</b>		<b>29,900.44</b>	<b>25,679.69</b>	<b>23,529.93</b>
<b>II</b>	<b>ASSETS</b>				
	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment and Intangible assets				
	(i) Property, Plant and Equipment	I.11	9,067.05	7,926.46	8,787.77
	(ii) Intangible Assets	I.12	-	-	-
	(iii) Capital Work in Progress	I.13	-	1,889.00	607.38
	(b) Non-Current Investments	I.14	143.92	143.92	125.92
	(c) Long Term Loans and Advances	I.15	414.04	21.02	51.97
	(d) Other Non-Current Assets	I.16	-	-	-
	<b>Current assets</b>				
	(a) Inventories	I.17	4,190.98	4,191.65	4,127.16
	(b) Trade Receivables	I.18	12,421.25	9,316.04	8,639.15
	(c) Cash and Cash Equivalent	I.19	814.98	501.48	490.07
	(d) Short-Term Loans and Advances	I.20	1,416.82	759.71	230.90
	(e) Other Current Assets	I.21	1,431.41	930.41	469.62
	<b>TOTAL</b>		<b>29,900.44</b>	<b>25,679.69</b>	<b>23,529.93</b>

The Notes Referred to above form an integral part of these financial statements.



In terms of our report attached  
**for Mittal Goel & Associates**  
Chartered Accountants  
Firm Registration Number: 017577N

**for and on behalf of the Board of Directors**

**SD/-**  
**CA. Sandeep Kumar Goel**  
Partner  
Membership No. 099212

**SD/-**  
**Ashok Kumar Bansal**  
Managing Director  
Din: 00321238

**SD/-**  
**Ayush Bansal**  
Whole Time Director  
Din: 00774900

Place: Shamli  
Date: 15.06.2024  
UDIN: 24099212BKCZOT3952

**SD/-**  
**Shefali Gupta**  
CS & Compliance Officer  
PAN: BTAPG6450Q

**SD/-**  
**Atul Aeron**  
CFO  
PAN: AOGPA8370R

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## ANNEXURE II- RESTATED STATEMENT OF PROFIT AND LOSS

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Particulars		Note No.	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>I</b>	Revenue from Operations	II.1	33,860.08	39,833.21	35,641.08
<b>II</b>	Other Income	II.2	818.20	297.70	207.49
<b>III</b>	<b>Total Income (I + II)</b>		<b>34,678.28</b>	<b>40,130.91</b>	<b>35,848.57</b>
<b>IV</b>	<b>Expenses</b>				
	(a) Cost of Material Consumed	II.3	21,969.24	27,850.30	23,915.37
	(b) Purchases of Stock-in-Trade	II.4	517.13	102.74	215.42
	(c) Changes in Inventories of Finished Goods, work in Progress and Stock in Trade	II.5	(182.00)	870.66	(827.31)
	(d) Employee Benefits Expenses	II.6	582.22	607.00	567.16
	(e) Finance Costs	II.7	1,398.02	1,084.56	1,075.20
	(f) Depreciation and Amortisation Expenses	II.8	1,022.22	991.67	1,072.33
	(g) Other Expenses	II.9	6,951.65	7,644.40	9,015.73
	<b>Total Expenses</b>		<b>32,258.48</b>	<b>39,151.35</b>	<b>35,033.90</b>
<b>V</b>	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		2,419.80	979.57	814.67
<b>VI</b>	Exceptional Items (Net Income)	II.10	-	-	-
<b>VII</b>	<b>Profit Before Extraordinary Items And Tax (IV-V)</b>		2,419.80	979.57	814.67
<b>VIII</b>	Extraordinary Items				
<b>VII</b>	<b>Profit Before Tax (V + VI)</b>		<b>2,419.80</b>	<b>979.57</b>	<b>814.67</b>
<b>VIII</b>	<b>Tax Expense:</b>				
	(a) Current Tax		502.06	120.85	108.05
	(b) Mat Credit Entitlement		-	119.24	108.05
	(c) Mat Credit Utilized		(103.34)	-	-
	(d) Deferred Tax		154.87	113.44	119.46
	<b>Total Tax Expense</b>		<b>760.27</b>	<b>115.04</b>	<b>119.46</b>
<b>IX</b>	<b>Profit After Tax (VII - VIII)</b>		<b>1,659.53</b>	<b>864.52</b>	<b>695.21</b>
<b>X</b>	<b>Earnings Per Share (of Rs. 10 each):</b>				
	(a) Basic	II.13	9.81	5.28	7.05
	(b) Diluted	II.13	9.81	5.28	7.05



The Notes Referred to above form an integral part of these financial statements.

In terms of our report attached

**for Mittal Goel & Associates**

Chartered Accountants

Firm Registration Number: 017577N

**for and on behalf of the Board of Directors**

**SD/-**

**CA. Sandeep Kumar Goel**

Partner

Membership No. 099212

**SD/-**

**Ashok Kumar Bansal**

Managing Director

Din: 00321238

**SD/-**

**Ayush Bansal**

Whole Time Director

Din: 00774900

Place: Shamli

Date: 15.06.2024

UDIN: 24099212BKCZOT3952

**SD/-**

**Shefali Gupta**

CS & Compliance Officer

PAN: BTAPG6450Q

**SD/-**

**Atul Aeron**

CFO

PAN: AOGPA8370R

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### ANNEXURE III- RESTATED STATEMENT OF CASH FLOWS

(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>Profit before tax and exceptional Items</b>	<b>2,419.80</b>	<b>979.57</b>	<b>814.67</b>
<b>Adjustments for:</b>			
Depreciation & amortization expense	1,022.22	991.67	1,072.33
Interest expense on borrowings	1,398.02	1,084.56	1,075.20
Net (gain)/ loss on sale of Property Plant & Equipment	(17.45)	0.00	0.00
Previous Year Adjustment	0.00	0.00	0.00
<b>Operating Profit before working capital changes</b>	<b>4,822.59</b>	<b>3,055.80</b>	<b>2,962.20</b>
<b>Changes in operating assets and liabilities:</b>			
(Increase)/Decrease in Inventories	0.68	(64.49)	(1,318.82)
(Increase)/Decrease in Trade Receivables	(3,105.21)	(676.89)	(3,661.44)
(Increase)/Decrease in Other Current Assets	(604.34)	(341.55)	366.73
(Increase)/Decrease in Short Term Advances	(657.11)	(528.82)	(2.79)
(Increase)/Decrease in Long Term Advances	(393.02)	30.96	9.14
Increase/(Decrease) in Long Term Provisions	12.08	7.34	13.99
Increase/(Decrease) in Other Non Current Assets	0.00	0.00	0.00
Increase/(Decrease) in Other Non-Current Liabilities	(365.01)	(7.70)	328.44
Increase/(Decrease) in Trade Payables	(723.02)	(2,376.79)	3,597.71
Increase/(Decrease) in Other Current Liabilities	(7.27)	(281.19)	600.59
Increase/(Decrease) in Short Term Provisions	264.44	2.18	(16.62)
<b>Cash generated from operations</b>	<b>(755.19)</b>	<b>(1,181.14)</b>	<b>2,879.14</b>
Income taxes refunded/ (paid)	502.06	120.85	108.05
<b>Net cash flow from operations (A)</b>	<b>(1,257.25)</b>	<b>(1,301.99)</b>	<b>2,771.09</b>
<b>Cash flow from investing activities</b>			
Purchase of Fixed Assets	(286.54)	(1,411.99)	(1,022.04)
Purchase of Shares	0.00	-	(100.00)
Purchase of Mutual Fund		(18.00)	
Proceeds from sale of Investment	-	-	-
Proceeds from sale of Assets	30.17	-	3.52
<b>Net cash used in investing activities (B)</b>	<b>(256.36)</b>	<b>(1,429.99)</b>	<b>(1,118.52)</b>
<b>Cash flow from financing activities</b>			
Payment of Interest	(1,398.02)	(1,084.56)	(1,075.20)
Increase in Share Capital/Share Premium	603.54	-	2,100.00
Increase in Share Application Money	-	-	-
Increase/(Decrease) in Term Loan	(764.39)	(391.65)	(648.78)
Increase/(Decrease) in Unsecured Loan	(1,278.23)	(508.51)	(2,087.53)
Increase/(Decrease) in Cash Credit Balance	4,664.22	4,728.11	135.77
<b>Net cash flow from/ (used in) financing activities ( C)</b>	<b>1,827.12</b>	<b>2,743.39</b>	<b>(1,575.74)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	<b>313.50</b>	<b>11.41</b>	<b>76.83</b>
Cash and cash equivalents at the beginning of the year	501.48	490.07	413.24



<b>Cash and cash equivalents at the closing of the year</b>	<b>814.98</b>	<b>501.48</b>	<b>490.07</b>
a) Cash and Cash Equivalents included in Cash Flow Statement comprise of following (Refer Note I-17):			
<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
Cash and Bank Balances	814.98	501.48	490.07
	<b>814.98</b>	<b>501.48</b>	<b>490.07</b>

The Notes Referred to above form an integral part of these financial statements.

In terms of our report attached

**for Mittal Goel & Associates**

Chartered Accountants

Firm Registration Number: 017577N

**for and on behalf of the Board of Directors**

**SD/-**

**CA. Sandeep Kumar Goel**

Partner

Membership No. 099212

**SD/-**

**Ashok Kumar Bansal**

Managing Director

Din: 00321238

**SD/-**

**Ayush Bansal**

Whole Time Director

Din: 00774900

Place: Shamli

Date: 15.06.2024

UDIN: 24099212BKCZOT3952

**SD/-**

**Shefali Gupta**

CS & Compliance Officer

PAN: BTAPG6450Q

**SD/-**

**Atul Aeron**

CFO

PAN: AOGPA8370R

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## **Annexure IV- Significant accounting policies**

**(All amounts in Indian Rupees in Lakhs, unless otherwise stated)**

### **1. Corporate Information**

"Nikita Papers Limited is a closely held Public Limited Company initially incorporated as Private Limited Company on 18.08.1989. It was subsequently converted into a Public Limited Company on 12.06.2003. The Company is engaged in manufacture of Kraft paper and has been in existence for more than three decades with satisfactory business performance.

The Company is having its registered office at A-10, First Floor, Near Deepali Chowk, Saraswati Vihar, Pitampura, New Delhi 110034 and works at C-10, Industrial Estate, Panipat Road, Shamli-247776 (U.P.).

### **2. Basis Of Preparation of Financial Statements**

(A) The Restated Statement of Assets and Liabilities of the Company as on March 31, 2024, March 31, 2023 and March 31, 2022 and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the Period ended on March 31, 2024, and for the year ended on March 31, 2023 and March 31, 2022 and summary of significant accounting policies and explanatory notes and notes to restated financial information have been Prepared by the management of the company for the purpose of inclusion in the Draft Red Herring Prospectus, prepared by the company in connection with its proposed Initial Public Offer in terms of requirement of:

- (a) Section 26 of Part 1 of Chapter III of the Companies Act, 2013;
- (b) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2018, as amended;
- (c) The Guidance Note on reports in Company Prospectus (revised 2019) issued by the Institute of Chartered Accountants of India, as amended;

The Restated Standalone Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:

- (a) Adjustments for Audit Qualifications requiring corrective adjustments in the financial statements, if any;
- (b) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the groupings/disclosures as per the audited financial statements and in requirements of the SEBI Regulations, if any;
- (c) The resultant impact of tax due to the aforesaid adjustments, if any.

(B) The financial statements of the company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises the Accounting Standards notified u/s 133 read with 5.469 of the Companies Act, 2013. The accounting policies have been framed, keeping in view the fundamental accounting assumptions of Going Concern. Consistency and Accrual, as also basic considerations of Prudence, Substance over form, and Materiality. These have been applied consistently. except where a newly issued accounting standard is initially adopted or a revision in the existing accounting standards require a revision in the accounting policy so far in use. The need for such a revision is evaluated on an ongoing basis.

(C) The Financial Statements have been prepared on a going concern basis, in as much as the management neither intends to liquidate the company nor to cease operations. Accordingly, assets, liabilities, income and expenses are recorded on a Going Concern basis. Based on the nature of products and services, and the time between the acquisition of assets and realization in cash or cash equivalents, the company has



ascertained its operating cycle as 12 months for the purposes of current and non-current classification of assets and liabilities.

### **3. Use of Estimates**

The preparation of financial statements required the management to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

### **4. Property, Plant and Equipment's**

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Pre-operative expenditure incurred up to the date of commencement of commercial production is capitalized as part of property, plant and equipment.

Capital work in progress includes property plant & equipment under installation/under development as at the balance sheet date.

Property plant and Equipment and derecognized from the financial statement, either on disposal or when no economic benefits are expected from its use or disposal, losses arising in the case of retirement of property, plant and equipment and gain from those arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

### **5. Depreciation**

Depreciation on all tangible assets has been provided on the basis of Written Down value method over the remaining useful lives of assets as prescribed under Part "C" of Schedule II of Companies Act, 2013 except the categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support etc accordingly the useful life of the referred property plant and equipment has been reviewed by Chartered Engineer (CE).

"Depreciation on addition is charged proportionately from the date of its acquisition/installation.

### **6. Valuation of inventories**

Inventories are valued at lower of the cost and estimated net realisable value. Cost of inventories is computed on a weighted average/FIFO basis. Finished Goods and Work in Progress include Raw Material Cost, Cost of conversion and other cost in bringing the inventories to their present location and conditions.

Stock of Raw Materials, Stores and spare parts are valued at cost;

### **7. Cash Flow Statement**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated. Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and FDRs & margin money with bank.

### **8. Contingencies and events occurring after Balance Sheet Date**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet

date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes to accounts when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote. Contingent Assets are not recognized in the Financial Statements.

### **9. Net profit or loss for the period, prior period items and changes in accounting policies**

- a. Net Profit or loss for the period and prior period items are shown separately in the Statement of Profit & Loss wherever applicable.
- b. Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods
- c. Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly.

### **10. Revenue Recognition**

- a. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- b. Sales of Goods are accounted for when the sales of goods are completed on accrual basis on completion of transactions of sales on delivery / passage of title to the customer which generally coincides with delivery. Sales shown in the Statement of Profit & Loss are excluding GST.
- c. Income in respect of interest, insurance claims, export benefits, subsidy etc. is recognized to the extent the company is reasonably certain of its ultimate realization.

### **11. Accounting for the effects in foreign exchange rates**

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions. Exchange gain/Loss on settlement & on conversion of monetary items denominated in foreign currency are dealt in profit & Loss account.

### **12. Accounting for Investments**

Investments, being long term in nature, are valued at cost of acquisition. Adjustment for increase/decrease in the value of investments, if any, will be accounted for on realization of the investments.

### **13. Employee Benefits**

Liability in respect of retirement benefits is provided and/or funded and charged to Profit & loss A/c as follows:

- a. Provision for contribution to defined contribution plan, recognized as expenses during the year as under.
- b. Gratuity is accounted for on actuarial valuation basis.
- c. The management has decided to apply pay-as-you-go method for payment of leave encashment. So, amount of leave encashment will be accounted in the profit & loss A/c in the financial year in which the employee retires and provision will not be made on yearly basis.

### **14. Borrowing Cost**

- a. Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of asset up to the date when such asset is ready for its intended use.
- b. Borrowing costs include interest; amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- c. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

### **15. Segment Reporting**

"The Company is engaged only in the Business of Kraft Paper Manufacturing hence has only single reportable business segment in the context of Accounting Standard 17 on Segment Reporting.



Therefore, no separate segment disclosures are required to be made by the Company.

### **16. Earnings per share**

Basic and Diluted Earnings per Share are computed in accordance with AS 20-Earning Per Share. Basic earnings per Equity Share is computed by dividing net profit after tax by the weighted average number of Equity Shares outstanding during the year. The Diluted Earning per Share is computed using the weighted average number of Equity Shares and Diluted Potential Equity Shares outstanding during the year.

### **17. Accounting for taxes on income**

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with Income Tax Act, 1961.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Minimum alternative Tax under the provisions of Income Tax Act, 1961 is recognized as per Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, issued by Institute of Chartered Accountants of India. The credit available under the Act in respect of MAT is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during any period for which the mat credit can be carried forward for set off against the normal tax liability.

### **18. Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating Lease Payments are recognized as an expense in the Statement of Profit and Loss on a straight-line Basis over the lease term.

### **19. Provisions, contingent liabilities, and contingent assets**

- a. Provisions are made for present obligations arising as a result of past events and it is probable that an outflow of resources will be required to settle the obligation.
- b. Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts.
- c. Contingent assets are neither accounted for nor disclosed by way of Notes on Accounts.

### **20. Government Grant**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the government grant related to assets is presented by deducting the grant in arriving at the carrying amount of the asset.

During the Year, the management has recognized a government grant of INR 7.50 Crores for the F.Y. 2023-24, INR 2.57 Crores for the F.Y. 2022-23 and INR 1.82 Crores for the F.Y. 2021-22 in the profit and loss account under the policy Uttar Pradesh Industrial Investment and Employment Promotion Policy 2017. This recognition has been made as the condition associated with the grant have been duly complied with and it is highly likely that the grant will be received from the government.

**Annexure V - Restated Statement of Equity Share Capital**  
(All amounts in Indian Rupees in Lakhs, unless otherwise stated)

**I.1.1 Equity Share Capital**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>(a) Authorised Share Capital</b>			
Equity Share Capital	2,500.00	1,000.00	1,000.00
<b>Total Authorised Share Capital</b>	<b>2,500.00</b>	<b>1,000.00</b>	<b>1,000.00</b>
<b>(b) Issued, Subscribed &amp; Fully Paid-up Shares</b>			
Equity Share Capital	1817.35	861.35	861.35
<b>Total Issued, Subscribed &amp; Fully Paid-up Shares</b>	<b>1,817.35</b>	<b>861.35</b>	<b>861.35</b>

The company has increased Authorized Share Capital from Rs. 100000000 to Rs. 250000000 vide resolution dated 20th December 2023 in extra ordinary general meeting of the company

**Details of No. of Shares**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>(a) Authorised Share Capital</b>			
No of Equity Shares	25000000	10000000	10000000
Face Value per Share is Rs.	10.00	10.00	10.00
Equity Share Capital	2,500.00	1,000.00	1,000.00
<b>(b) Issued, Subscribed &amp; Fully Paid up Shares</b>			
No of Equity Shares	18173500	8613500	8613500
Face Value per Share	10.00	10.00	10.00
Equity Share Capitals	1817.35	861.35	861.35

**I.1.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 March, 2024		As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>						
<b>Balance at the beginning of the period/ year</b>	86,13,500	861.35	86,13,500	861.35	51,13,500	511.35
Issued during the year	9,51,500	95.15	-	-	35,00,000	350.00
Bonus Shares Issued during the year	86,08,500	860.85				
Call money receipts for shares issued during the previous years	-	-	-	-	-	-
Shares bought back	-	-	-	-	-	-
<b>Balance at the end of</b>	<b>1,81,73,500</b>	<b>1,817.35</b>	<b>86,13,500</b>	<b>861.35</b>	<b>86,13,500</b>	<b>861.35</b>

<b>the reporting period/ year</b>						
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\*\*The company has issued 8608500 bonus shares (9 bonus shares for every 10 equity shares)

#### I.1.2 (B) Reconciliation of Bonus Shares Issued

Particulars	As at 31 March, 2024		As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Bonus Shares Issued during the year	86,08,500	860.85	-	-	-	-

The company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### I.1.4 Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 March, 2024		As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Shri Abhinav Bansal	-	-	-	-	422600	4.91
Shri Anuj Bansal	10,04,720	5.53	5,28,800	6.14	528800	6.14
Shri Rachit Bansal	9,10,750	5.01	4,79,200	5.56	479200	5.56
Shri Ashok Bansal	25,43,853	14.00	13,38,870	15.54	1104670	12.82
Shri N.C. Bansal	-	-	-	-	468400	5.44
Shri Sudhir Bansal	17,75,930	9.77	9,34,700	10.85	700500	8.13
M/s Alliance Farms & Agriculture Limited	8,61,650	4.74	4,53,500	5.26	453500	5.26
Smt. Sandhya Bansal	9,47,150	5.21	4,98,500	5.79	498500	5.79
Smt. Mithlesh Bansal	17,53,320	9.65	9,22,800	10.71	922800	10.71
Coeus Global Opportunity	18,07,850	9.95	-	-	-	-

Fund						
<b>Total</b>	<b>11605223</b>	<b>63.86</b>	<b>5156370</b>	<b>59.86</b>	<b>5578970</b>	<b>64.77</b>

### Annexure I.2 - Restated Statement of Reserves and Surplus

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>(a) General Reserves</b>			
Reserve at the beginning of the year	1,000.38	1,000.38	0.38
Add: Transfer during the year	-	-	1,000.00
<b>Total (A)</b>	<b>1,000.38</b>	<b>1,000.38</b>	<b>1,000.38</b>
<b>(b) Security Premium</b>			
Share Premium at the beginning of the year	1,877.50	1,877.50	127.50
Add: received during the year	508.39	-	1,750.00
(Less): Utilised for Bonus Issue	860.85	-	-
<b>Total (B)</b>	<b>1,525.04</b>	<b>1,877.50</b>	<b>1,877.50</b>
<b>(c) Statement of Profit and Loss</b>			
Profit at the beginning of the year	1,734.95	870.43	1,175.22
Add: Profit / (Loss) for the year	1,659.53	864.52	695.21
Less: Transfer to General Reserves	-	-	1,000.00
<b>Total (C)</b>	<b>3,394.48</b>	<b>1,734.95</b>	<b>870.43</b>
<b>Total</b>	<b>5,919.90</b>	<b>4,612.83</b>	<b>3,748.31</b>

### Annexure I.3 - Restated Statement of Long-Term Borrowings

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>(Secured)</b>			
<b>(a) Term Loans:</b>			
<u>From Bank</u>			
Punjab National Bank	2,789.66	3,190.00	3,855.00
Axis Bank	-	875.00	586.56
SIDBI Bank	54.07	119.85	181.45
HDFC Bank	583.00	-	-
<b>Total (A)</b>	<b>3,426.73</b>	<b>4,184.85</b>	<b>4,623.01</b>
<b>(b) Vehicle Loans:</b>			
<u>From Banks</u>			

HDFC Bank Ltd.	54.20	58.39	27.11
Punjab National Bank	13.15	15.23	-
<b>Total (B)</b>	<b>67.35</b>	<b>73.62</b>	<b>27.11</b>
<b>Total (A+B)</b>	<b>3,494.08</b>	<b>4,258.47</b>	<b>4,650.12</b>
<b>(Unsecured)</b>			
<b>(a) From Directors, Promoter &amp; Relatives</b>	718.47	904.03	918.95
<b>(b) From Body Corporates</b>	596.15	1,688.82	2,182.40
<b>Total (A+B)</b>	<b>1,314.62</b>	<b>2,592.85</b>	<b>3,101.35</b>
<b>Total</b>	<b>4,808.70</b>	<b>6,851.32</b>	<b>7,751.48</b>

(a.) Principle amount of instalment due in the next following year on long term debts are separately disclosed under short term borrowings as current maturities on long term debts.

(b.) Term Loan from Punjab National bank, sanctioned amount Rs. 420 lakhs, repayable in 26 quarterly instalments at the interest rate of 8.30% and last installment date is 30.06.2028

(c.) Term Loan from SIDBI bank, sanctioned amount Rs. 292 lakhs, repayable in 54 monthly instalments at the interest rate of 8.05% and last installment date is 10.01.2026

(d.) Term Loan from HDFC bank, sanctioned amount Rs. 1000 lakhs, repayable in 25 Quarterly instalments at the interest rate of 8.25% and last installment date is 31.08.2028

(e.) Term Loan from HDFC bank, sanctioned amount Rs. 825 lakhs, repayable in 35 monthly instalments at the interest rate of 8.25% and last installment date is 31.08.2024

(f.) The term loans are secured against fixed and movable assets of the company, factory land and building Situated at industrial estate, Panipat road and personal guarantee of all the directors of the company

(g.) Various vehicle loans have 30 to 60 monthly instalment commencing from various dates and ending on various dates. All vehicle loans are secured against hypothecation of respective vehicles.

#### I.4 Restated Statement of other Long-Term Liabilities

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured</b>			
Sundry Creditors for Capital Goods	33.55	398.56	406.26
<b>Total</b>	<b>33.55</b>	<b>398.56</b>	<b>406.26</b>

#### Annexure I.5 - Restated Statement of Deferred Tax Liability

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>Opening Balance</b>	482.69	369.25	249.79
Add: Deferred tax credit/expense for the year	154.87	113.44	119.46
<b>Net deferred tax liability / (asset)</b>	<b>637.56</b>	<b>482.69</b>	<b>369.25</b>

### Annexure I.6 - Restated Statement of Long-Term Provisions

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Provision for Gratuity	82.17	70.09	62.75
<b>Total</b>	<b>82.17</b>	<b>70.09</b>	<b>62.75</b>

\*This provision for gratuity is based on actuarial valuation which is an accounting exercise performed to estimate future liabilities arising out of benefits that are payable to employees of a company, with the objective of identifying the financial status and required disclosure figures of gratuity liability of employees, in accordance of AS-15.

### Annexure I.7 - Restated Statement of Short-Term Borrowings

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>Secured</b>			
<b>Cash Credit- Banks<sup>#</sup></b>			
Punjab National Bank	4,710.50	4,673.61	2,942.51
Axis Bank	216.90	1,240.30	1,123.84
HDFC bank	3,975.88	-	-
<b>Bills Discounted</b>			
South Indian Bank	2,497.38	2,121.48	-
A. Treds Limited (Invoicemart)	1,445.81	-	-
Oxyzo Financial Service (P) Ltd	258.15	346.03	-
Current Maturities of Long-Term Borrowings	1,010.53	1,069.52	656.48
<b>Total</b>	<b>14,115.15</b>	<b>9,450.94</b>	<b>4,722.83</b>

#### Terms of Loan:

(Secured by Hypothecation of Stocks & Book debts, and First pari passu charge over entire fixed assets including equitable mortgage of Immovable properties of the company and further guaranteed by the Directors)

### Annexure I.8 - Restated Statement of Trade Payables

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>(A) Trade Payables</b>			
(i) Micro enterprises and small enterprises			
(ii) Other than micro enterprises and small enterprises	1,571.50	2,294.52	4,671.30
<b>Total</b>	<b>1,571.50</b>	<b>2,294.52</b>	<b>4,671.30</b>

\*Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, is not available with the company as the company is in the process of complying the information from its vendors.

### Ageing for Trade payable

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>(i) Undisputed - MSME</b>			
Less than 1 year	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
<b>Total (i)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(ii) Undisputed - Others</b>			
Less than 1 year	1546.25	2,268.04	4,647.11
1-2 years	15.45	7.00	20.67
2-3 years	0.00	19.12	3.52
More than 3 years	9.79	0.35	-
<b>Total (ii)</b>	<b>1,571.50</b>	<b>2,294.52</b>	<b>4,671.30</b>
<b>(iii) Disputed - MSME</b>	-	-	-
<b>(iv) Disputed - Others</b>	-	-	-
<b>Total (i+ii+iii+iv)</b>	<b>1,571.50</b>	<b>2,294.52</b>	<b>4,671.30</b>

### Annexure I.9 - Restated Statement of Other Current Liabilities

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
P.F. Payable	2.25	2.10	2.25
GST Payable	173.63	225.72	327.31
Expenses Payable A/c	175.87	168.09	232.65

Power & Electricity Payable	71.49	116.22	129.75
Rent Payable	0.30	3.75	3.75
Director's Remuneration Payable	4.76	4.76	3.75
T.D.S Payable A/c	11.06	25.12	26.88
T.C.S. Payable A/c	3.42	0.42	-
Interest Payable	0.58	2.16	-
Salary, Wages and Bonus Payable	39.27	42.31	39.47
Advance from Customers	12.66	42.58	6.99
Cheque issued but not presented	146.47	15.81	157.42
<b>Total</b>	<b>641.76</b>	<b>649.02</b>	<b>930.21</b>

#### Annexure I.10 - Restated Statement of Short-Term Provisions

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Provision for Gratuity	16.43	8.38	6.20
Provision for Income Tax (Net of advance tax)	256.39	-	-
<b>Total</b>	<b>272.82</b>	<b>8.38</b>	<b>6.20</b>

#### Annexure I.14 - Restated Statement of Non-Current Investments

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
(Valued at Cost unless stated otherwise)			
<u>Quoted Shares</u>			
3548 Shares of Ruchira Papers Ltd of Rs. 23/- each fully paid up	0.82	0.82	0.82
<u>Mutual Fund</u>			
Indian Clearing Corporation Ltd ( Mutual Fund )	18.00	18.00	-
<u>Unquoted Shares</u>			
1250000 Shares of Shamli Steels (P) Ltd of Rs. 10/- each fully paid up	125.00	125.00	125.00
10 shares of Shamli Udyog Asthan Co- operative Society Ltd. Shamli of Rs 1000/- eacg fully paid up	0.10	0.10	0.10
<b>Total</b>	<b>143.92</b>	<b>143.92</b>	<b>125.92</b>

(Market Values/ Fair Values)			
Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Total Quoted Shares (At Market Value)	3.97	3.31	3.70
Total Mutual fund (At Market Value)	21.34	18.00	-
Total Unquoted Investments			

Shamli Steels Private Limited (At Book Value)*	214.38	202.00	192.88
Shamli Udyog Asthan Co- operative Society Ltd.(At Cost)	0.10	0.10	0.10

\*For reporting the fair value of investments, the investment in Shamli Steels Limited is calculated using the book value method, on the basis of the provisional balance sheet as on March 31, 2024.

#### Annexure I.15 - Restated Statement of Long-Term Loans and Advances

#### Annexure I.16 - Restated Statement of Other Non-Current Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>Total</b>	-	-	-

#### Annexure I.17 - Restated Statement of Inventories

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Advances recoverable in cash or kind or for value to be received			
Capital Advances	286.82	-	30.96
Security with the Govt. Department	0.57	0.57	0.57
Security Others	126.65	20.45	20.45
<b>Total</b>	<b>414.04</b>	<b>21.02</b>	<b>51.97</b>
Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>(As taken valued and certified by the management)</b>			
Raw Material	2,373.39	2,751.03	2,134.99
Chemical	565.00	80.50	233.64
Power and Fuel	228.45	561.94	244.12
Consumable Stores	514.63	405.50	275.21
Packing Material	15.00	32.81	26.56
Finished Goods	438.90	249.22	1,128.07
Work in Progress	55.61	63.29	55.09
Goods in Transit	-	47.37	29.49
<b>Total</b>	<b>4,190.98</b>	<b>4,191.65</b>	<b>4,127.16</b>

#### Annexure I.18 - Restated Statement of Trade receivables

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
(Unsecured, considered good)	12,421.25	9,316.04	8,639.15
(Unsecured, Doubtful)			
<b>Total</b>	<b>12,421.25</b>	<b>9,316.04</b>	<b>8,639.15</b>

### Ageing for Trade Receivables

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>(i) Undisputed - Considered Good</b>			
Less than 6 Months	10,871.30	9,008.37	8,454.55
6 Months -12 Months	747.81	139.39	122.30
1-2 years	764.29	127.88	1.92
2-3 years	3.31	-	7.04
More than 3 years	34.54	40.40	53.35
<b>Total (i)</b>	<b>12,421.25</b>	<b>9,316.04</b>	<b>8,639.15</b>
<b>(ii) Undisputed - Considered Doubtful</b>			
Less than 6 Months	-	-	-
6 Months -12 Months	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
<b>Total (ii)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(iii) Disputed - Considered Good</b>			
Less than 6 Months	-	-	-
6 Months -12 Months	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
<b>Total (iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(iv) Disputed - Considered Doubtful</b>			
Less than 6 Months	-	-	-
6 Months -12 Months	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
<b>Total (iv)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (i+ii+iii+iv)</b>	<b>12,421.25</b>	<b>9,316.04</b>	<b>8,639.15</b>

### Annexure I.19 - Restated Statement of Cash and Bank Balances

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>Cash and Cash Equivalents</b>			
Cash in hand	1.16	8.54	8.75
Cheques in hand	100.00	-	9.19
Balances with Banks in Current Accounts	2.54	-	0.10
<b>Others Cash and Bank Balances</b>			
Deposits with original maturity of upto 3 months (pledged)	12.82	-	131.69

with Bank)			
Deposits with original maturity of more than 3 months (pledged with Bank)	698.47	492.94	340.33
<b>Total</b>	<b>814.98</b>	<b>501.48</b>	<b>490.07</b>

#### Annexure I.20 - Restated Statement of Short-Term Loans and Advances

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Advance to suppliers	698.02	378.41	161.11
Advance to Others	715.33	380.05	69.79
Advance to Employees	3.47	1.25	-
<b>Total</b>	<b>1,416.82</b>	<b>759.71</b>	<b>230.90</b>

#### Annexure I.21 - Restated Statement of Other Current Assets

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Prepaid Expenses	4.32	32.32	3.69
Balances with Government Authorities	1.27	119.23	63.89
Mat Credit Entitlement	221.27	324.61	205.37
Subsidy Receivable	1,204.55	454.25	196.68
<b>Total</b>	<b>1,431.41</b>	<b>930.41</b>	<b>469.62</b>

#### Annexure II.1 - Restated Statement of Revenue from Operations

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Revenue from Sale of Products (Net of Taxes)	32,736.49	38,470.70	34,579.91
Other operating revenue	1,123.58	1,362.51	1,061.17
<b>Total</b>	<b>33,860.08</b>	<b>39,833.21</b>	<b>35,641.08</b>

#### Annexure II.2 - Restated Statement of Other Income

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Interest Income - Banks	48.08	39.65	23.22
Profit on sale of Fixed Assets	17.45	-	-
State Subsidy	750.30	257.57	182.09
Other Miscellaneous Incomes	2.36	0.49	2.17
<b>Total</b>	<b>818.20</b>	<b>297.70</b>	<b>207.49</b>

**Annexure II.3 - Restated Statement of Cost of Materials Consumed**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Opening Stock	2,751.03	2,134.99	2,181.46
Add: Purchases	21,591.60	28,466.35	23,868.89
	24,342.63	30,601.33	26,050.35
Less: Closing Stock	2,373.39	2,751.03	2,134.99
<b>Raw Material Consumed</b>	<b>21,969.24</b>	<b>27,850.30</b>	<b>23,915.37</b>

**Annexure II.4 - Restated Statement of Cost of Goods Traded**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Opening Stock- Traded Goods	-	-	6.70
Add: Purchases Traded Goods	517.13	102.74	208.72
	517.13	102.74	215.42
Less: Closing Stock	-	-	-
<b>Net Cost of Goods Traded</b>	<b>517.13</b>	<b>102.74</b>	<b>215.42</b>

**Annexure II.5 - Restated Statement of Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b><u>Inventories at the end of the year/period:</u></b>			
Finished Goods at Close of year	438.90	249.22	1,128.07
Work in progress at Close of Year	55.61	63.29	55.09
	494.51	312.50	1,183.17
<b><u>Inventories at the beginning of the year/period:</u></b>			
Finished Goods	249.22	1,128.07	311.14
Work in progress	63.29	55.09	44.71
	312.50	1,183.17	355.86
<b>Net (increase) / decrease in inventories of stock-in-trade</b>	<b>182.00</b>	<b>-870.66</b>	<b>827.31</b>

**Annexure II.6 - Restated Statement of Employee Benefits Expenses**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Salaries and Wages	456.18	494.00	463.85
Directors Remuneration	72.00	64.50	52.00
Bonus	16.28	16.43	14.49
Gratuity Expenses	20.13	12.62	16.41
Staff Welfare Expenses	3.86	9.26	10.24



Contribution to Employee provident and other funds	13.76	10.20	10.17
<b>Total</b>	<b>582.22</b>	<b>607.00</b>	<b>567.16</b>

#### Annexure II.7 - Restated Statement of Finance Costs

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
(a) Interest Expenses			
(i) Interest to Banks			
on Working Capital Loans and Allied Facilities	834.60	464.09	343.11
on Term Loans	339.62	352.47	447.27
(ii) Interest to Others	138.18	200.59	194.77
(b) Other Finance costs	85.62	67.41	90.05
<b>Total</b>	<b>1,398.02</b>	<b>1,084.56</b>	<b>1,075.20</b>

#### Annexure II.8 - Restated Statement of Depreciation and Amortisation Expenses

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Depreciation on Property, Plant & Equipment	1,022.22	991.67	1,072.33
<b>Total</b>	<b>1,022.22</b>	<b>991.67</b>	<b>1,072.33</b>

#### Annexure II.9 - Restated Statement of Other Expenses

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Power and Fuel	4,264.00	5,216.36	4,295.98
Chemical	457.15	377.79	2,773.60
Consumable Stores	680.69	687.30	750.00
Packing Material Consumed	207.66	303.73	246.19
Repair & Maintenance	161.62	84.13	125.92
Printing & Stationary	3.01	3.07	3.57
Rates and Taxes	19.53	4.55	34.94
Rent	4.05	3.75	3.75
Lease Rent on Machinery	71.81	-	-
Advertisement and Publicity	0.59	1.61	0.84
Subscription and Membership Fees	0.37	1.96	0.92
Travelling Expenses	20.51	17.83	13.09
Legal and Professional Expenses	144.91	69.42	13.23
Communication Charges	7.97	7.44	5.71
Insurance	40.69	41.37	27.61
Auditors' Remuneration	4.00	2.00	2.00
Miscellaneous Expenses	13.24	6.11	13.36
Rebate & Discount	49.11	11.61	147.06



Freight and Forwarding Expenses	790.92	799.75	557.67
CSR Expenditure	9.84	4.59	0.30
<b>Total</b>	<b>6,951.65</b>	<b>7,644.40</b>	<b>9,015.73</b>

**Payments to the auditors comprises:**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
For Audit	4.00	2.00	2.00
<b>Total</b>	<b>4.00</b>	<b>2.00</b>	<b>2.00</b>

**II.10 Restated Statement of Exceptional Items (Net Income)**

Particulars	As at 31 March, 2023	As at 31 March, 2022
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**II.11 Restated Statement of Expenditure in Foreign currency**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Value of imports calculated on C.I.F basis by the company during the financial year in respect of			
Raw Materials	2,891.54	4,502.85	7,657.80

**II.12 Restated Statement of Earnings in Foreign currency**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Earnings in foreign exchange classified under the following heads,			
Export of goods calculated on F.O.B basis;	-	25.10	108.78

**Annexure II.13 - Restated Statement of Earnings Per Share**

**(A) Reconciliation of Basic and Diluted Shares used in computing Earnings Per Share**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Number of Shares considered as basic weighted average shares outstanding	86,13,500	86,13,500	51,13,500
Add: Effect of new issues of shares (Other than bonus shares)	2,89,360	-	76,712
Add: Bonus shares issued	80,12,574	77,52,150	46,71,191

Number of Shares considered as basic weighted average shares and potential shares outstanding	1,69,15,435	1,63,65,650	98,61,403
Number of Shares considered as restated basic weighted average shares and restated potential shares outstanding	1,69,15,435	86,13,500	51,90,212

**(B) Reconciliation of Basic and Diluted Earning per share considering Impact of Bonus**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>Basic earning per share</b>			
Profit after tax	16,59,53,202.6 9	8,64,52,337.1 6	6,95,20,905.6 7
Weighted average number of shares (For Basic EPS)	1,69,15,435	1,63,65,650	98,61,403
<b>Basic EPS</b>	9.81	5.28	7.05
<b>Diluted earning per share</b>			
Profit after tax	16,59,53,202.6 9	8,64,52,337.1 6	6,95,20,905.6 7
Add/(less): Effect of dilution on profit	-	-	-
Revised profit after tax	16,59,53,202.6 9	8,64,52,337.1 6	6,95,20,905.6 7
Weighted average number of shares (For Diluted EPS)	1,69,15,435	1,63,65,650	98,61,403
<b>Diluted EPS</b>	9.81	5.28	7.05

**C) Computation of restated basic and diluted earnings per share**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
<b>Restated Basic earning per share</b>			
Profit after tax	16,59,53,202.6 9	8,64,52,337.1 6	6,95,20,905.6 7
Weighted average number of shares (For Basic EPS)	1,69,15,435	86,13,500	51,90,212
<b>Basic EPS</b>	9.81	10.04	13.39
<b>Restated Diluted earning per share</b>			
Profit after tax	16,59,53,202.6 9	8,64,52,337.1 6	6,95,20,905.6 7
Add/(less): Effect of dilution on profit	-	-	-
Revised profit after tax	16,59,53,202.6 9	8,64,52,337.1 6	6,95,20,905.6 7
Weighted average number of shares (For Diluted	1,69,15,435	86,13,500	51,90,212



EPS)			
<b>Diluted EPS</b>	9.81	10.04	13.39

\* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earnings per share of the company remain the same.

## Annexure V Statement of Restatement Adjustments to Audited Financial Statements

### PART-A

#### V.1 Reconciliation between audited profit and restated profit

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
A. Profit after tax (as per audited financial statements)	2072.37	543.93	450.61
B. Add/(Less): Adjustments on account of -			
1. Other Income - Subsidy	-454.25	257.57	182.09
2. Change in Provision of Gratuity Estimates	0.00	-9.58	-5.92
3. Provision for Deferred Tax	35.36	65.00	77.23
4. Provision for MAT Credit	0.00	0.00	0.00
5. Provision for Taxation	0.00	0.00	0.00
6. Prior period expense	14.53	0.00	-8.81
7. Prior period income	-8.48	7.61	0.00
C. Restated profit after tax (A+B)	<b>1659.53</b>	<b>864.52</b>	<b>695.21</b>

#### V.2 Reconciliation of the Opening Balance of Surplus of Profit and Loss under Reserves and Surplus for the FY 2020-21:

Particulars	As on 1 April, 2021
(A) Opening Balance of surplus	1,184.89
Add/(Less) : Adjustments on account of -	
1. Expenses for Prior Period	-15.97
2. Change in Provision of Gratuity Estimates	-12.31
3. Other Income - Subsidy	14.59
4. Provision for Deferred Tax	-43.42
3. Revaluation Reserve Adjustment	47.45
<b>Total Adjustments (B)</b>	<b>-9.67</b>
<b>Restated Opening Balance of surplus (A+B)</b>	<b>1,175.22</b>

### Part B: Material Regrouping

Appropriate regroupings have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per AS financial information of the Company for the period ended March 31, 2024 prepared in accordance with Schedule III of Companies Act, 2013 and other applicable AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended.

### **1) Adjustment of Gratuity Expenses**

Company had accounted gratuity on cash basis, however during the restatement, Company has complied with the requirement of AS — 15 (Revised) "Employee Benefits" and accordingly booked Gratuity expenses basis of actuarial valuation report.

### **2) Adjustment on account of Provision of Deferred Tax Assets**

Due to Difference of WDV of Fixed Assets as per Companies Act, 2013 and Income Tax Act, 1961 during the period of restatement, The Company has recalculated the deferred tax liability and deferred tax assets at the end of respective year ended at the rate of normal Tax rate applicable at the end of relevant year. For more details refer table of Reconciliation of Statement of Profit and loss as above.

### **3) Provision of Income Tax (Current/Prior Period)**

During the restatement, the Income tax provision was recalculated on restated Profit/(Loss) of respective year as per the prevailing tax rates, accordingly the effect of revised income tax provision has been made in the Restated Statement of Profit and Loss account. Short/(Excess) provision has adjusted in respective year/period.

### **4) Recalculation of Accumulated Depreciation:**

During the restatement of accumulated depreciation has been reconsidered basis of the life given as per schedule II of the Companies Act, 2013 and the life as per Chartered Engineer Certificate and the accumulated depreciation accordingly has been charged to Restated Statement of Profit and Loss account of respective years

### **5) Accounting of Prior Period Expenses:**

During the restatement of Expenses booking has been reconsidered basis of the year to which expenses is pertaining to and accordingly all prior period expenses has been charged to Restated Statement of Profit and Loss account of respective years. It also includes sundry balances written off, excess booking of expenses.

## **Annexure VI - Other Notes to the Restated Standalone Financial Statements**

**(All amounts in Indian Rupees in Lakhs, unless otherwise stated)**

1. The figures of the previous year have been regrouped / recast wherever necessary so as to make them comparable with current year's figures. Figures have been rounded off to the nearest lakhs.
2. In the absence of necessary information in relation to the suppliers registered as Micro or Small enterprises under Micro, Small and Medium Enterprises (Development) Act, 2006, the company has not been able to identify such suppliers and the information required under the said Act could not be complied and disclosed.
3. In the opinion of the Board of Directors, the Current Assets, Loans & Advances are approximately of the value stated if realized in ordinary course of business. Provisions for known liabilities are made & not in excess of the amount reasonably necessary. Moreover Balances of Unsecured Loans, Receivables, Loans & Advances and Current Liabilities are subject to confirmation, reconciliation and adjustments, if any.

**4. Letter of credit for supply of raw material opened on behalf of company has been included in Trade payable.**

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
Letter of credit	62.80	367.54	1,900.44

#### 5. Corporate social responsibility expenses

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
a) Gross amount required to be spent by the Company during the year/period	11.31	7.63	-
b) total of previous years shortfall,	3.04	-	-
c) Total amount required to be spent	14.35	7.63	-
d) Amount spent during the period / year	9.84	4.59	-
e) shortfall at the end of the period / year	14.35	3.04	-

#### 6. Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption.

Particular	As at 31 March, 2024		As at 31 March, 2023		As at 31 March, 2022	
	Rs.	(%)	Rs.	(%)	Rs.	(%)
<b>A. Raw Materials and Components</b>						
(I) Imported	4,241.32	19.31%	6,320.84	22.70%	9,068.45	37.92%
(II) Indigenous	17,727.91	80.69%	21,529.46	77.30%	14,846.91	62.08%
<b>Total</b>	<b>21,969.24</b>	<b>100.00%</b>	<b>27,850.30</b>	<b>100.00%</b>	<b>23,915.37</b>	<b>100.00%</b>
<b>B. Stores &amp; Spares</b>						
(I) Imported	-	0.00%	-	0.00%	-	0.00%
(II) Indigenous	680.69	100.00%	687.30	100.00%	750.00	100.00%
<b>Total</b>	<b>680.69</b>	<b>100.00%</b>	<b>687.30</b>	<b>100.00%</b>	<b>750.00</b>	<b>100.00%</b>
<b>C. Chemicals</b>						
(I) Imported	-	0.00%	-	0.00%	-	0.00%
(II) Indigenous	457.15	100.00%	377.79	100%	2,773.60	100%
<b>Total</b>	<b>457.15</b>	<b>100.00%</b>	<b>377.79</b>	<b>100.00%</b>	<b>2,773.60</b>	<b>100.00%</b>
<b>C. Packing Material</b>						
(I) Imported	-	0.00%	-	0.00%	-	0.00%
(II) Indigenous	207.66	100.00%	303.73	100.00%	246.19	100.00%



<b>Total</b>	<b>207.66</b>	<b>100.00</b> %	<b>303.73</b>	<b>100.00</b> %	<b>246.19</b>	<b>100.00</b> %
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## 7. Restated Statements of Employee Benefits

### Employee benefit Plan

#### (A) Restated Statement of Employee Benefits

##### (i) Change in Defined Benefit Obligation (DBO)

Particulars	As at 31, March, 2024	As at 31, March, 2023	As at 31, March, 2022
Present value of DBO at the beginning of the year	78.47	68.94	52.54
Current service cost	21.66	19.50	18.96
Interest cost	5.57	5.10	3.57
Actuarial (gain) / loss	-7.10	-11.98	-6.13
Benefits paid	-	-3.09	-
<b>Present value of DBO at the end of the year</b>	<b>98.60</b>	<b>78.47</b>	<b>68.94</b>

##### (ii) Amounts recognised in the Balance Sheet

Particulars	As at 31, March, 2024	As at 31, March, 2023	As at 31, March, 2022
Net Liability at the beginning of the Year	78.47	68.94	52.54
Net Expense Recognised in Statement of Profit and Loss	20.13	12.62	16.41
Benefits Paid	0.00	0.00	0.00
Fair value of plan assets at the end of the year	0.00	0.00	0.00
<b>Net Liability recognised in the Balance Sheet</b>	<b>98.60</b>	<b>81.56</b>	<b>68.94</b>

##### (iii) Expenses Recognized

Particulars	As at 31, March, 2024	As at 31, March, 2023	As at 31, March, 2022
Current service cost	21.66	19.50	18.96
Interest cost	5.57	5.10	3.57
Actuarial (gain) / loss	-7.10	-11.98	-6.13
<b>Expense recognised in Statement of Profit t and Loss</b>	<b>20.13</b>	<b>12.62</b>	<b>16.41</b>

##### (iv) Assumptions

Particulars	As at 31, March, 2024	As at 31, March, 2023	As at 31, March, 2022
Discount Rate	7.10%	7.40%	6.80%
Salary Increase Rate	7%	7%	7%



Rate of Return on Plan Assets	NA	NA	NA
Mortality Table	IALM 2012-14 ult		
Retirement Age	60 Years		
Withdrawal rates	5% to 1% per Annum		

## (B) Defined Contribution Plan

### Provident fund and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the employee provident fund organization (EPFO).

### ANNEXURE - VII: RESTATED STATEMENT OF CONTINGENT LIABILITIES

Particulars	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
1. GST Demand	14.46	-	-
2. Axis Bank Foreclosure Charges	189.15	-	-
<b>Total</b>	<b>203.61</b>	<b>-</b>	<b>-</b>

\*GST demand pertains to F.Y. 2018-19 to 2021-22 which is under litigation

\*Axis Bank has charged foreclosure charges on term loan which is under litigation and no provision of expense has been booked in financial statements.

### ANNEXURE – VIII: RESTATED STANDALONE STATEMENT OF RELATED PARTY DISCLOSURES AS RESTATED

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

A. Names of related parties and nature of relationship:

a) Key Management Personnel (KMP)		
Managing Director (at the time of Transactions)		
Whole Time Director	Name	Date of Appointment
	Ashok Kumar Bansal	18-08-1989
	Sandhya Bansal	02-06-2021
	Ayush Bansal	14-09-2004
b) Relatives of Key Management	Smt. Mithlesh Bansal	
	Mr. Sudhir Kumar Bansal	
	Smt. Neera Bansal	
	Shri Anuj Bansal	
	Shri Rachit Bansal	
	Shri Abhinav Bansal	

	Shri Sudhir Kumar Aggarwal
	Smt. Sangita Gupta
	Smt. Riha Bansal
	Smt. Suruchi Bansal
	Smt. Anatra Rakesh
	M/s N.C. Bansal & Sons (HUF)
	M/s S.K. Bansal & Sons (HUF)
	M/s Ashok Bansal & Sons (HUF)
	M/s Ayush Bansal & Sons (HUF)
	M/s Anuj Bansal & Sons (HUF)
	M/s Abhinav Bansal & Sons (HUF)
<b>c) Enterprise over which KMP and their relatives exercise significant influence:</b>	Shamli Steels Private Limited
	Shamli Packaging Industries
	Grreenit LLP
	Radiant Acids & Alkalies Limited
	Alliance Farms & Agriculture Limited
	Global link Enviro LLP

**B) Transactions with related parties are as follows:**

Name	Nature of Relationship	Nature of Transaction	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
ASHOK KUMAR BANSAL	Key Managerial Person	Remuneration	24.00	21.50	17.50
		Loan Taken	117.47	67.20	5.75
		Rent Paid	1.28	1.28	1.28
		Loan Repaid	55.80	47.17	16.00
AYUSH BANSAL	Key Managerial Person	Remuneration	24.00	21.50	18.00
		Loan Taken	122.45	13.50	25.00
		Loan Repaid	-	38.50	10.00
SANDHYA BANSAL	Key Managerial Person	Remuneration	24.00	21.50	15.00
		Loan Taken	16.75	1.50	7.00
		Loan Repaid	48.45	10.70	
		Interest Paid	-	-	-
N C BANSAL	Relatives	Remuneration	-	-	1.50
		Loan Taken	-	-	-
		Loan Repaid	-	-	41.95
		Rent Paid	-	-	-

SUDHIR BANSAL	Relatives	Loan Taken	172.90	4.00	59.25
		Loan Repaid	73.15	31.55	40.50
		Rent Paid	1.38	1.38	1.38
		Interest Paid	-	6.47	9.33
MITHLESH BANSAL	Relatives	Loan Taken	33.25	22.70	27.75
		Loan Repaid	63.38	36.60	
		Interest Paid	-	9.93	6.15
		Rent Paid	1.10	1.10	1.10
NEERA BANSAL	Relatives	Loan Taken	15.65	-	32.50
		Loan Repaid	49.70	10.20	
		Interest Paid	-	4.35	2.95
SANGITA GUPTA	Relatives	Loan Taken	-	-	4.26
		Interest Paid	-	-	-
		Loan Repaid	-	-	0.01
ANUJ BANSAL	Relatives	Loan Taken	71.85	2.44	19.50
		Loan Repaid	9.90	0.90	31.70
		Interest Paid	-	1.77	2.14
ABHINAV BANSAL	Relatives	Loan Taken	94.59	-	-
		Loan Repaid	9.40	6.75	
		Interest Paid	-	4.05	4.78
RACHIT BANSAL	Relatives	Loan Taken	3.15	-	5.75
		Loan Repaid	0.65	6.28	30.00
		Interest Paid	-	0.58	1.95
RIHA BANSAL	Relatives	Loan Taken	-	-	15.00
		Loan Repaid	21.30	1.30	
		Interest Paid	-	2.87	1.04

SURUCHI MITTAL	Relatives	Loan Taken	26.90	6.50	18.50
		Loan Repaid	49.65	1.35	
		Interest Paid	-	2.48	0.58
ANTARA RAKESH	Relatives	Remuneration	12.00	12.00	11.10
		Loan Taken	1.40	26.85	21.00
		Loan Repaid	23.00	55.60	
		Interest Paid	-	7.67	5.03
N.C BANSAL & SONS HUF	Relatives	Loan Taken	-	15.20	-
		Loan Repaid	96.01	58.65	4.00
		Interest Paid	-	15.69	13.88
ASHOK BANSAL & SONS HUF	Relatives	Loan Taken	-	15.20	15.00
		Loan Repaid	58.96	6.15	4.90
		Interest Paid	-	6.27	4.28
SK BANSAL & SONS	Relatives	Loan Taken	-	15.35	16.50
		Loan Repaid	100.75	7.10	11.00
		Interest Paid	-	10.67	8.54
AYUSH BANSAL & SONS HUF	Relatives	Loan Taken	-	15.35	13.00
		Loan Repaid	90.47	6.92	8.12
		Interest Paid	-	9.68	7.56
ABHINAV BANSAL & SONS	Relatives	Loan Taken	-	15.20	13.00
		Loan Repaid	65.89	5.15	5.25
		Interest Paid	-	6.78	4.84
ANUJ BANSAL & SONS	Relatives	Loan Taken	-	15.35	15.00
		Loan Repaid	45.45	4.80	5.10
		Interest Paid	-	4.54	2.54

GLOBAL LINK ENVIRO LLP	Enterprise over which KMP and their relatives exercise significant influence	Loans Given	66.00	-	-
GREENIT LLP	Enterprise over which KMP and their relatives exercise significant influence	Purchase of Goods	1.54	8.07	4.00
		Sale of Goods		3.99	3.86
SHAMLI STEELS PVT LTD	Enterprise over which KMP and their relatives exercise significant influence	Purchase of Goods	2.76	21.23	45.94
		Sale of Goods	91.42	-	-
		Investment in Equity	-	-	100.00
SHAMLI PACKAGING INDUSTRIES	Enterprise over which KMP and their relatives exercise significant influence	Other Expenses	5.51	13.80	4.20

**C) Balances outstanding are as follows:**

Particulars	Nature of Transaction	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2022
ASHOK KUMAR BANSAL	Remuneration	1.59	1.59	1.25
	Rent	-	1.28	1.28
	Loan Outstanding	140.04	78.38	58.35
			-	-
			-	-
AYUSH BANSAL	Remuneration	1.60	1.60	1.25
	Loan Outstanding	124.53	2.08	27.08

			-	-
SANDHYA BANSAL	Remuneration	1.57	1.57	1.25
	Loan Outstanding	11.94	43.64	52.84
			-	-
NC BANSAL	Loan Outstanding	-	-	-
			-	-
SK BANSAL	Rent	-	1.38	1.38
	Loan Outstanding	157.50	57.75	79.47
			-	-
ABHINAV BANSAL	Loan Outstanding	119.76	34.57	37.68
			-	-
ANUJ BANSAL	Loan Outstanding	79.51	17.57	14.44
			-	-
RACHIT BANSAL	Loan Outstanding	5.13	2.62	8.39
SANGITA GUPTA	Loan Outstanding	4.25	4.25	4.25
SUDHIR KUMAR AGGARWAL	Loan Outstanding	0.30	0.30	0.30
MITHLESH BANSAL	Rent	-	1.10	1.10
	Loan Outstanding	40.03	70.16	75.12
			-	-
NEERA BANSAL	Loan Outstanding	2.92	36.97	43.25
			-	-
RIHA BANSAL	Loan Outstanding	4.26	25.56	24.27
			-	-
ANTARA RAKESH	Remuneration	0.90	0.90	0.92
	Loan Outstanding	22.36	43.96	65.81
			-	-
SURUCHI MITTAL	Loan Outstanding	5.93	28.68	21.30
			-	-

NC BANSAL & SONS	Loan Outstanding	-	96.01	125.34
			-	-
ASHOK BANSAL & SONS	Loan Outstanding	-	58.97	44.28
			-	-
SK BANSAL & SONS	Loan Outstanding	-	100.75	82.90
			-	-
AYUSH BANSAL & SONS	Loan Outstanding	-	90.47	73.33
			-	-
ABHINAV BANSAL & SONS	Loan Outstanding	-	65.89	49.74
			-	-
ANUJ BANSAL & SONS	Loan Outstanding	-	45.45	30.81
GLOBAL LINK ENVIRO LLP	Loans & Advances	66.00	-	-
SHAMLI STEELS PVT LTD	Purchase	-	-	3.46
	Sale of goods	169.78	-	-
	Investment	125.00	125.00	125.00
			-	-
SHAMLI PACKAGING INDUSTRIES	Other Expenses Payable	-	4.83	(0.67)

Our Promoters has given guarantees to third party as of the date of this Restated Financial Statements.

#### **ANNEXURE IX: RESTATED STANDALONE STATEMENT OF SIGNIFICANT ACCOUNTING RATIOS**

<b>Particulars</b>	<b>As at 31 March, 2024</b>	<b>As at 31 March, 2023</b>	<b>As At 31 March, 2022</b>
Current Ratio	1.22	1.27	1.35
Debt-Equity Ratio	0.45	0.78	1.01
Debt Service Coverage Ratio	3.46	2.82	2.76

Return on Equity Ratio	0.21	0.16	0.15
Inventory turnover ratio	8.08	9.58	10.29
Trade Receivables turnover ratio	3.12	4.44	5.23
Trade payables turnover ratio	11.17	8.17	8.31
Net capital turnover ratio	4.38	7.28	7.73
Net profit ratio	0.05	0.02	0.02
EBITDA Margin	0.14	0.08	0.08
Return on Investment	5.55%	3.37%	2.95%
NAV per share	42.57	33.45	28.17
Return on Capital employed	28.71%	15.55%	14.32%

### Methodology:

1. Current Ratio = Current Asset / Current Liability
2. Debt-Equity Ratio = Long Term Borrowing / Equity Shareholder
3. Debt Service Coverage Ratio = EBITDA / Finance Cost
4. Return on Equity Ratio = Profit After Tax / Shareholders Funds
5. Inventory Turnover Ratio = Sale / Average Inventory
6. Trade Receivable Turnover Ratio = Revenue from Operations / Average Trade Receivable
7. Trade Payable Turnover Ratio = Purchase / Average Trade Payable
8. Net Capital Turnover Ratio = Revenue from Operations / Shareholders Funds
9. Net Profit Ratio = Profit After Tax / Revenue from Operations
10. EBITDA Margin = EBITDA / Revenue from Operations
11. Return on Investment = Profit After Tax / Total Assets
12. NAV Per Share = Net worth / Adjusted Number of Shares
13. Return on Capital Employed= Earnings before interest and tax/Capital Employed

### ANNEXURE X : RESTATED STATEMENT OF CAPITALISATION

Particulars	Pre Issue 31.03.2024	Post Issue
<b>Debt</b>		
Short Term Debt	14,115.15	[•]
Long Term Debt	4,808.70	[•]
<b>Total Debt</b>	<b>18,923.85</b>	<b>[•]</b>
<b>Shareholders' Fund (Equity)</b>		
Share Capital	1,817.35	[•]
Reserves & Surplus	5,919.90	[•]
<b>Total Shareholders' Fund (Equity)</b>	<b>7,737.25</b>	<b>[•]</b>
Long Term Debt/Equity	0.62	[•]
<b>Total Debt/Equity</b>	<b>2.45</b>	<b>[•]</b>

#### Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months
2. Long term Debts represent debts other than Short term Debts as defined above
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.03.2024.

**Annexure IV – Restated Statement of Property, Plant & Equipment and Intangible Assets**

Particular	Land	Buildin g(Facto ry)	Buildin g (Office)	Plant & Machin ery	Offic e Equi pme nt	Ve hiel e	Com pute r	E. T. P	Lab Equi pme nt	Tra ctor	Elect ric Equi pmen t's	Tub ewel l	Powe r Plant	Buil ding -II	Plant & Machine ry -II	Electric Installa tion	Total
<b>Gross Block</b>																	
<b>As at March 31, 2021</b>	<b>12.7 6</b>	<b>221.42</b>	<b>51.77</b>	<b>3554.37</b>	<b>50.8 8</b>	<b>105 .03</b>		<b>34. 85</b>	<b>1.68</b>	<b>25. 58</b>	<b>50.53</b>	<b>3.04</b>	<b>674.6 1</b>	<b>583. 39</b>	<b>7193.73</b>	<b>108.29</b>	<b>12671. 92</b>
Addition	0.00	0.00	0.00	144.96	0.62	24. 51	18.0 5	0.0 0	0.00	0.0 0	0.00	0.00	0.00	243. 07	77.92	0.00	509.13
Deletion	0.00	0.00	0.00	3.52	0.00	0.0 0	0.00	0.0 0	0.00	0.0 0	0.00	0.00	0.00	0.00	0.00	0.00	3.52
<b>As at March 31, 2022</b>	<b>12.7 6</b>	<b>221.42</b>	<b>51.77</b>	<b>3695.80</b>	<b>51.5 0</b>	<b>129 .54</b>	<b>18.0 5</b>	<b>34. 85</b>	<b>1.68</b>	<b>25. 58</b>	<b>50.53</b>	<b>3.04</b>	<b>674.6 1</b>	<b>826. 46</b>	<b>7271.65</b>	<b>108.29</b>	<b>13177. 53</b>
Addition	0.00	0.00	0.00	0.00	1.84	70. 34	4.36	0.0 0	0.00	0.0 0	0.00	0.00	0.00	11.7 3	0.00	42.10	130.37
Deletion																	0.00
<b>As at March 31, 2023</b>	<b>12.7 6</b>	<b>221.42</b>	<b>51.77</b>	<b>3695.80</b>	<b>53.3 4</b>	<b>199 .88</b>	<b>22.4 1</b>	<b>34. 85</b>	<b>1.68</b>	<b>25. 58</b>	<b>50.53</b>	<b>3.04</b>	<b>674.6 1</b>	<b>838. 19</b>	<b>7271.65</b>	<b>150.39</b>	<b>13307. 89</b>
Addition	0.00	0.00	0.00	195.46	0.00	33. 92	0.39	0.0 0	0.00	0.0 0	0.00	0.00	0.00	0.00	1942.76	3.00	2175.5 4
Deletion				52.65		3.9 6											56.61

As at March 31,2024	12.76	221.42	51.77	3838.61	53.34	229.84	22.80	34.85	1.68	25.58	50.53	3.04	674.61	838.19	9214.41	153.39	15426.81	
	-																	
	-																	
<b>Accumulated Depreciation</b>																		
Particular																		
As at March 31, 2021	-	146.89	27.60	2,269.09	37.20	81.63		22.19	1.60	24.19	43.06	2.86	467.73	10.48	180.08	2.85	3,317.43	
Addition	-	5.36	1.17	131.26	5.57	12.55	4.01	1.37	0.00	0.11	0.75	0.02	45.80	56.42	796.03	11.89	1,072.33	
Deletion	-																	
As at March 31, 2022	-	152.25	28.77	2,400.35	42.77	94.18	4.01	23.56	1.60	24.30	43.81	2.87	513.54	66.90	976.11	14.74	4,389.76	
Addition	-	4.72	1.12	122.04	3.67	18.00	10.16	1.22	0.00	-	0.68	0.01	35.66	72.38	710.10	11.91	991.67	
Deletion	-																	
As at March 31, 2023	-	156.97	29.89	2,522.39	46.44	112.18	14.17	24.78	1.60	24.30	44.49	2.89	549.20	139.28	1,686.22	26.65	5,381.43	
Addition	-	4.27	2.20	120.49	2.31	37.76	6.06	1.08	-	-	0.61	-	27.77	65.34	740.00	14.34	1,022.22	
Deletion				40.12		3.76											43.88	



As at March 31,2024		-	161.24	32.08	2,602.76	48.7 4	146 .18	20.2 3	25. 86	1.60	24. 30	45.10	2.89	576.9 7	204. 62	2,426.22	40.99	6,359. 77
	Net Bloc k																	
As at March 31,2022		12.7 6	69.17	23.00	1,295.45	8.74	35. 36	14.0 4	11. 29	0.08	1.2 8	6.72	0.17	161.0 7	759. 56	6,295.54	93.55	8,787. 77
As at March 31,2023		12.7 6	64.45	21.88	1,173.41	6.90	87. 70	8.24	10. 07	0.08	1.2 8	6.04	0.15	125.4 1	698. 91	5,585.43	123.74	7,926. 46
As at March 31,2024		12.7 6	60.18	19.69	1,235.85	4.60	83. 66	2.57	8.9 9	0.08	1.2 8	5.43	0.15	97.64	633. 57	6,788.19	112.40	9,067. 05

## FINANCIAL INDEBTEDNESS

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of the issuer Company, M/s **NIKITA PAPERS LIMITED** and further explanations and information provided by the management of the Companies, which we believe to be true and correct to the best of our information and belief, the financial indebtedness of the company as at 31<sup>st</sup> March 2024 are as mentioned below:

(All amounts in ₹ lacs, unless otherwise stated)

Nature of Borrowing	Outstanding as on 31/03/2024
Secured Loan (A)	13407.89
Unsecured Loan (B)	1314.62
<b>Total</b>	<b>14722.51</b>

### A. Secured Loans (All amounts in ₹ lacs, unless otherwise stated)

Name of Lender	Nature	Facility	Purpose	Sanctioned Amount (Rs.)	Outstanding As on 31/03/2024
Punjab National Bank	Long term Loan	Term loan	Installation of plant	4344.00	3419.66
SIDBI	Long term Loan	Term loan	For purchase of machineries and other equipments	292.00	118.96
HDFC	Long term Loan	Term loan	Boiler & machinery equipments	1083.00	874.67
HDFC (119917304)	Long term Loan	Long term vehicle loan	Purchase of car	16.00	8.49
HDFC (68032554)	Long term Loan	Long term vehicle loan	Purchase of car	19.32	2.01
HDFC (85006071)	Long term Loan	Long term vehicle loan	Purchase of car	11.00	2.15
HDFC (84880003)	Long term Loan	Long term vehicle loan	Purchase of car	14.99	2.92
HDFC (137858210)	Long term Loan	Long term vehicle loan	Purchase of car	38.00	33.12
HDFC (142258495)	Long term Loan	Long term vehicle loan	Purchase of car	29.35	25.72
Punjab National Bank	Long term Loan	Long term vehicle loan	Purchase of car	20.00	16.91
HDFC	Short Term Borrowing	Cash credit	Working capital	4000.00	3885.12
HDFC	Short Term Borrowing	Credit Card	Working capital	95.00	90.76
Punjab National Bank	Short Term Borrowing	Cash credit	Working capital	4800.00	4710.50
AXIS BANK	Short Term Borrowing	Cash credit	Working capital	1750.00	216.90
<b>TOTAL</b>					<b>13407.89</b>

**B. Unsecured Loans**

(All amounts in ₹ lacs, unless otherwise stated)

Name of Lender	Nature	Purpose	Outstanding As on 31/03/2024
<b>(A) Loans from Directors/Promoters &amp; relatives</b>			
Ayush Bansal ( Director)	Long term	Business	124.53
Ashok Kumar Bansal (Director)	Long term	Business	140.04
Sudhir Kumar bansal (Director)	Long term	Business	157.50
Sandhya Bansal (Director)	Long term	Business	11.94
Abhinav Bansal (Promoter)	Long term	Business	119.76
Anuj Bansal (Promoter)	Long term	Business	79.52
Rachit Bansal	Long term	Business	5.13
Mithlesh Bansal	Long term	Business	40.03
Sangeeta Gupta	Long term	Business	4.25
Neera Bansal	Long term	Business	2.92
Antara Rakesh	Long term	Business	22.36
Riha Bansal	Long term	Business	4.26
Suruchi Mittal	Long term	Business	5.93
Sudhir kumar Agarwal	Long term	Business	0.30
<b>(B)Other Long Term Loan From corporate:</b>			
Gee Cee Corporation pvt Ltd	Long term	Business	20.90
JBS Promoters & Developers Pvt ltd	Long term	Business	175.25
Manavv crafts India Pvt Ltd.	Long term	Business	400.00

**(C) Our Promoters, members of Promoter Group and director have mortgaged their properties and provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.**

Our Promoters, members of promoter group and director have mortgaged their properties and provided personal guarantees in relation to certain loan facilities availed of by us. In the event that any of these properties or guarantees are revoked by promoters, members of Promoter group or third party, the lenders for such facilities may require alternate properties as mortgages/guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative properties/guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

Following are details of properties mortgaged and personal guarantees provided for Secured loan facilities availed:

S.No.	Name of promoter (s) or members of promoter group	Charge Holder	Details of properties mortgaged and personal guarantees
	<p><b>Personal Guarantee of :</b></p> <p>Ashok Kumar Bansal</p> <p>Ayush Bansal</p> <p>Sudhir Kumar Bansal</p> <p>Mithlesh Rani Bansal</p> <p>Sandhya Bansal</p> <p>Abhinav Bansal</p> <p><b>Corporate Guarantee of :</b></p> <p>Alliance Farm and Agriculture Limited</p>	<p>Axis Bank Limited</p> <p><b>Charge ID:</b>100539033</p> <p><b>Amount of charge:</b>52,67,00,000</p> <p><b>Date of Last modification/creation of charge:</b> 15.06.2023</p>	<p><b>Collateral :Extension of First Pari Passu Charge with Punjab National Bank</b></p> <p>Khasra no. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>Industrial Estate in factory campus Khasra no.1029, Candela Kairana, Distt Shamli Owned By Ashok Kumar Bansal</p> <p>12700 sq mt Khata no. 275, Khasra no. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Mithlesh Bansal</p> <p>6660 Sq Mtr. Khata no 617, Khasra no. 1028, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned by Sudhir Bansal</p> <p>Residential House B-104, Type 3 BHK, First Floor, Le Regencia, Sector 19, Panipat, Haryana</p> <p><b>Extension of second charge on following properties:</b></p> <p>6660 sq mtrKhata no. 274, Khasra no. 1026, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>7000 sqmtKhata no. 275, Khasra No. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p>
	<p><b>Personal Guarantee of:</b></p> <p>Sudhir Kumar Bansal</p>	<p>Punjab National Bank</p> <p><b>Charge ID:</b>80043552</p> <p><b>Amount of charge:</b>1,09,35,00,000</p>	<p>7000 sqmtKhata no. 275, Khasra No. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned</p>

	Mithlesh Rani Bansal	<b>Date of Last modification/creation of charge:</b> 04.10.2023	<p>By Ashok Kumar Bansal and Sudhir Bansal</p> <p>Industrial Estate in factory campus Khasra no. 1029, Candela Kairana, Distt Shamli Owned By Ashok Kumar Bansal</p> <p>12700 sq mt Khata no. 275, Khasra no. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Mithlesh Bansal</p> <p>6660 sq mtrKhata no. 274, Khasra no. 1026, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>6660 Sq Mtr. Khata no 617, Khasra no. 1028, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned by Sudhir Bansal</p> <p>7000 sqmtKhata no. 275, Khasra No. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>Residential House B-104, Type 3 BHK, First Floor, Le Regencia, Sector 19, Panipat, Haryana</p>
<b>3</b>	<p><b>Personal Guarantee of :</b></p> <p>NC Bansal</p> <p>Shri Ashok Kumar Bansal</p> <p>Shri Ayush Bansal</p> <p>Abhinav Bansal</p> <p>Anuj Bansal</p> <p>Sudhir Bansal</p> <p>Rachit Bansal</p>	<p>Small Industries Development Bank of India Charge ID:100408602</p> <p>Amount of charge:2,92,00,000</p> <p>Date of Last modification/creation of charge: 29.01.2021</p>	<p>No personal property of promoters was mortgaged</p>

4	<p><b>Personal Guarantee of:</b></p> <p>Shri Ashok Kumar Bansal</p> <p>Shri Ayush Bansal</p> <p>Smt. Sandhya Bansal</p> <p>Shri Sudhir Kumar Bansal to the extent of value of property Mortgaged.</p>	<p>HDFC BANK</p> <p>ID:100826144&amp;100826131</p> <p>Amount of Charge: 70,83,000,00</p> <p>Date of creation of charge:30/10/2023</p>	<p>7000 sqmtKhata no. 275, Khasra No. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>Industrial Estate in factory campus Khasra no. 1029, Candela Kairana, Distt Shamli Owned By Ashok Kumar Bansal</p> <p>12700 sq mt Khata no. 275, Khasra no. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Mithlesh Bansal</p> <p>6660 sq mtrKhata no. 274, Khasra no. 1026, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>6660 Sq Mtr. Khata no 617, Khasra no. 1028, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned by Sudhir Bansal</p> <p>7000 sqmtKhata no. 275, Khasra No. 1032, Gramkandela Pargana, Teh. Kairana Distt Shamli Owned By Ashok Kumar Bansal and Sudhir Bansal</p> <p>Residential House B-104, Type 3 BHK, First Floor, Le Regencia, Sector 19, Panipat, Haryana</p>
5	<b>Vehicle Loans</b>	HDFC Bank & PNB Bank	Vehicle Loans are secured against hypothecation of respective Vehicle.

This is for your information and records.

**For Mittal Goel & Associates**  
Chartered Accountants

Sd/-

**CA Sandeep Kumar Goel**  
**Partner**  
**M. No 099212**

Date: 20<sup>th</sup> June 2024

Place: Chandigarh

UDIN: 24099212BKZNU2689

## OTHER FINANCIAL INFORMATION

### Accounting ratios derived from the Restated Financial Information

The accounting ratios derived from Restated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below. The table below should be read in conjunction with the sections titled “Risk Factors”, “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, on pages 28, 237 and 288, respectively:

Particulars	As at and for the year ended March 31, 2024	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022
Earnings per share (Basic) (in Rs.) <sup>1*</sup>	9.81	5.28	7.05
Earnings per share (Diluted) (in Rs.) <sup>2*</sup>	9.81	5.28	7.05
Return on Net worth (%) <sup>3</sup>	21.45%	15.79%	15.08%
Net Asset Value per Equity Share (in Rs.) <sup>4</sup>	42.57	33.45	28.17
EBITDA (in Lakhs) <sup>5</sup>	4840.04	3055.80	2962.20

\*Basic and Diluted EPS figures are adjusted to reconcile the impact of bonus issue, pursuant to Accounting Standard 20 “Earning Per Share” issued by ICAI and for presenting comparable figures.

#### Notes:

1. Basic EPS (₹) = Basic earnings per share are calculated by dividing the net restated profit for the period / year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year.
2. Diluted EPS (₹) = Diluted earnings per share are calculated by dividing the net restated profit for the period / year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all dilutive potential Equity Shares during the year.
3. Return on net worth is calculated as restated profit for the period / year divided by total shareholder's fund.
4. Net asset value per equity share is calculated as total shareholder's fund divided by weighted average number of equity shares (After considering impact of Bonus)
5. EBITDA is calculated as profit for the period/year minus other income plus finance costs, depreciation and amortization, total income tax expenses.

For further details on other financial information please refer to Annexures under the chapter titled “Financial Information” beginning from page 237 of this Draft Red Hearing Prospectus.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company as at and for Financial Year 2024, 2023 and 2022 (collectively, the “Audited Standalone Financial Statements”) are available on our website at <https://nikitapapers.com/annual-report/>

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI (ICDR) Regulations. The Audited Standalone Financial Statements and reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus.



The Audited Standalone Financial Statements and reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Standalone Financial Statements, or the opinions expressed therein.

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## **MANAGEMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION**

*The following discussion is intended to convey management's perspective on the financial condition and results of operations for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" and the chapter titled "Financial Information" on page 237 of the Draft Red Herring 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 28 of this Draft Red Herring Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" on page 18 of this Draft Red Herring 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 Nikita Papers Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for Financial Years 2024, 2023 & 2022 included in this Draft Red Herring Prospectus beginning on page 237 of this Draft Red Herring Prospectus.*

### **BUSINESS OVERVIEW**

Our company was originally incorporated as a Private Limited Company on August 18, 1989, with the Corporate Identification Number U21015UP1989PTC011059. Later, pursuant to shareholders resolution passed on May, 26, 2003 it converted into a Public Limited Company and fresh COI issued by ROC to the company dated June 12, 2003, and Corporate Identification Number of the company changed to U74899DL1989PLC129066 with its registered Office is located at C- 95 Antriksh apartments New Town group Housing Society Sector 14, ext Rohini Delhi – 110085 after then on 03.04.2018 it changed to and currently situated at A-10, First Floor, Near Deepali Chowk, Saraswati Vihar, Pitampura, New Delhi 110034. Its Corporate Office is located at C-10, Industrial Estate Panipat Road, Shamli, Muzaffarnagar, Uttar Pradesh, India, 247776.

Mr. Ashok Kumar Bansal, with over 35 years of overall experience and more than 25 years specifically in the paper industry, leads the Nikita as its Chairman.

In 1991, a Unit in the name of Nikita Papers Ltd. was established at Industrial Estate, Panipat Road, Shamli (U.P) to manufacture Kraft paper with 30 Tons per Day Capacity. Since then, the company has undergone through many expansion & modernizations from time to time as per the demand of the market to maintain its quality and now the paper quality of the company is well established in the paper market. At present the installed capacity of the company is approx. 1,33,000 M.T. per annum. The company in manufacturing Kraft paper ranging from 80 to 200 GSM in various Burst Factor (B.F.) ranges. This diverse product offering allows Nikita Papers Ltd. to cater to a wide range of customer needs within the paper industry.

### **SIGNIFICANT DEVELOPMENTS IN THE LAST FINANCIAL YEAR TO TILL DATE**

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 Draft Red Herring Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:



- The shareholders of our Company have approved and passed resolution on April 22, 2024, to authorize the Board of Directors to raise the funds by way of Initial Public Offering.
- The shareholders of our Company have approved the proposal for change in designation of Mr. Ashok Kumar Bansal from Whole Time Director to Managing Director in the Extra Ordinary General Meeting held on March 12, 2024
- The shareholders of our Company have approved the appointment of Mr. Sudhir Kumar Bansal as Chairman & Director in the Extra Ordinary General Meeting held on March 12, 2024.
- The shareholders of our Company have approved the appointment of Mr. Ashok Kumar Mittal, Mr. Akash Gupta and Mr. Sudhir Kumar Jain, as Independent Directors in the Extra Ordinary General Meeting held on March 12, 2024.
- The shareholders of our Company have approved the appointment of Mr. Atul Aeron as CFO (KMP) of the company w.e.f. March 12, 2024.
- The board of directors in its meeting held on January 24, 2024, appointed Ms. Shefali Gupta as Company Secretary & Compliance officer of the Company.
- Company has installed Boiler having capacity of 10 Ton per hour for the purpose of conversion of Biomass waste to energy, which was also duly certified by Pollution Control Board in October, 2023;
- For the purpose of reduce its dependency on the outside power & fuel, The Company has entered into an agreement with the renowned company to install Opexmodel 1.5 MW at Shamli, Uttar Pradesh for the purpose of waste into energy, which will result into decrease it cost of power and fuel and will optimize production cost and thereby profitability. Further the same will be executed/commissioned in the FY 2024-25 after approval from respective authorities.
- Company hired a professional Japanese consultancy company, which works for increasing production efficiency and ensured high quality of raw material going into production process.
- It minimise the abnormal losses of the company during the production process and identifies loopholes in the production process which causes extra costs to company.

## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 28 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Company’s results of operations and financial performance;
- Performance of Company’s competitors;
- Significant developments in India’s economic and fiscal policies;
- Failure to adapt to the changing needs of industry and in particular paper industry may adversely affect our business and financial condition;
- Volatility in the Indian and global capital market;



- Pricing pressures from the competitive business environment;
- Changes in political and social conditions in India;
- Inflation, deflation, unanticipated turbulence in interest rates;
- Fluctuations in operating costs may results volatility in Company's results of operations and financial performance;
- Our ability to meet our capital expenditure requirements and/or our failure to keep pace with rapid changes in technology;
- Our dependence on our key personnel, including our directors and senior management;
- Our ability to successfully implement our business strategy and plans;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control.

## DISCUSSION ON RESULT OF OPERATION

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2024	%age of Total Income	For the year ended 31 March, 2023	%age of Total Income	For the year ended 31 March, 2022	%age of Total Income
<b>Income</b>						
Revenue from Operations	33,860.08	97.64	39,833.21	99.26	35,641.08	99.42
Other Income	818.20	2.36	297.70	0.74	207.49	0.58
<b>Total Income</b>	<b>34678.28</b>	<b>100</b>	<b>40130.91</b>	<b>100</b>	<b>35848.57</b>	<b>100</b>
<b>Expenditure</b>						
Cost of Material Consumed	21,969.24	63.35	27,850.30	69.40	23,915.37	66.71
Purchases of Stock-in-Trade	517.13	1.49	102.74	0.26	215.42	0.60
Changes in Inventories of Finished Goods, work in Progress and Stock in Trade	(182.00)	-0.52	870.66	2.17	(827.31)	-2.31
Employee benefits expenses	582.22	1.68	607.00	1.51	567.16	1.58
Other expenses	6,951.65	20.05	7,644.40	19.05	9,015.73	25.15
<b>Total expenses</b>	<b>29838.24</b>	<b>86.04</b>	<b>37075.11</b>	<b>92.39</b>	<b>32886.37</b>	<b>91.74</b>
<b>Profit Before Interest, Depreciation and Tax</b>	<b>4840.04</b>	<b>13.96</b>	<b>3055.80</b>	<b>7.61</b>	<b>2962.20</b>	<b>8.26</b>
Depreciation & Amortization Expenses	1,022.22	2.95	991.67	2.47	1,072.33	2.99
<b>Profit Before Interest and Tax</b>	<b>3817.82</b>	<b>11.01</b>	<b>2064.13</b>	<b>5.14</b>	<b>1889.87</b>	<b>5.27</b>



Finance Cost	1,398.02	4.03	1,084.56	2.70	1,075.20	3.00
<b>Profit before Taxation</b>	<b>2419.80</b>	<b>6.98</b>	<b>979.57</b>	<b>2.44</b>	<b>814.67</b>	<b>2.27</b>
Current Tax	502.06	1.45	120.85	0.30	108.05	0.30
Mat Credit Entitlement	-	-	(119.24)	-0.30	(108.05)	-0.30
Mat Credit Utilized	103.34	0.30	-	-	-	-
Deferred Tax	154.87	0.45	113.44	0.28	119.46	0.33
<b>Total tax expense</b>	<b>760.27</b>	<b>2.19</b>	<b>115.04</b>	<b>0.29</b>	<b>119.46</b>	<b>0.33</b>
<b>Profit After Tax but Before Extra-ordinary Items</b>	<b>1659.53</b>	<b>4.79</b>	<b>864.52</b>	<b>2.15</b>	<b>695.21</b>	<b>1.94</b>
Extraordinary Items	0	-	0	-	0	-
<b>Net Profit after adjustments</b>	<b>1659.53</b>	<b>4.79</b>	<b>864.52</b>	<b>2.15</b>	<b>695.21</b>	<b>1.94</b>
<b>Net Profit Transferred to Balance Sheet</b>	<b>1659.53</b>	<b>4.79</b>	<b>864.52</b>	<b>2.15</b>	<b>695.21</b>	<b>1.94</b>

#### Sales mix and the geographical presence

The following table sets forth certain information on the relative sales contribution of our product categories in the respective periods:

(Rs. in Lakhs)

Product	For the Financial Year ended 31 <sup>st</sup> March, 2024		For the Financial Year ended 31 <sup>st</sup> March, 2023		For the Financial Year ended 31 <sup>st</sup> March, 2022	
		(%)		(%)		(%)
Kraft paper	32075.08	94.73%	38337.58	96.25%	34401.45	96.52%
Waste paper and others	661.42	1.95%	133.1	0.33%	178.46	0.50%
Commission on sale	1123.58	3.32%	1362.51	3.42%	1061.17	2.98%
<b>Total</b>	<b>33860.08</b>		<b>39833.21</b>		<b>35641.08</b>	

Details regarding geographical revenue are provided below:

(Amount in Lakhs)

State/Country	For FY ended March 31, 2024	For FY ended March 31, 2023	For FY ended March 31, 2022
Jammu Kashmir	34.78	110.61	7.57
Himachal Pradesh	207.24	384.26	641.32
Punjab	557.51	350.45	457.09
Chandigarh	48.07	39.92	23.72
Uttarakhand	265.96	662.88	630.79
Haryana	1,104.10	5,451.30	6,584.68
Delhi	2,274.42	18,965.76	14,561.87
Dadra & Nagar Haveli	-	-	164.98
Rajasthan	641.61	4.02	4.43
Uttar Pradesh	28,677.56	13,308.73	11,879.69
Madhya Pradesh	6.10	17.52	-
Gujarat	-	-	3.74



Maharashtra	-	505.60	567.47
Goa	42.74	-	-
<b>Export</b>	-	-	-
Bangladesh	-	32.17	113.75
<b>Total Rs.</b>	<b>33,860.08</b>	<b>39,833.21</b>	<b>35,641.08</b>

Details regarding quantity sold are provided below:

(in Ton)

Particulars	For the Financial Year ended 31 <sup>st</sup> March, 2024	For the Financial Year ended 31 <sup>st</sup> March, 2023	For the Financial Year ended 31 <sup>st</sup> March, 2022
<b>India</b>	117733.805	113084.46	95387.32
<b>Outside India</b>	NIL	53.37	247.24
<b>Total</b>	<b>85707.24</b>	<b>113137.83</b>	<b>95634.56</b>

The following table summarizes the revenue proportion of our top customers for the respective year:

(Rs. in Lakhs)

Product	For the Financial Year ended 31 <sup>st</sup> March, 2024		For the Financial Year ended 31 <sup>st</sup> March, 2023		For the Financial Year ended 31 <sup>st</sup> March, 2022	
	Amt	(%)	Amt	(%)	Amt	(%)
Top 1 Customers (%)	4737.31	13.99	4585.77	11.51	4460.87	12.52
Top 5 Customers (%)	17361.55	51.27	16789.45	42.15	17014.27	47.74
Top 10 Customers (%)	24129.91	71.26	26016.88	65.31	25616.36	71.87

### ***Our Significant Accounting Policies***

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled “Financial Statements” beginning on page 237 of the Draft Red Herring Prospectus

### ***Overview of Revenue & Expenditure***

The following discussion on results of operations should be read in conjunction with the Restated Financial statements for the Financial Year 2024, 2023 & 2022. Our revenue and expenses are reported in the following manner:

#### **Revenues**

##### ◆ **Revenue of operations**

Our principal component of revenue from operations is generated from manufacturing and sale of Kraft paper. Other operating revenue comes from sale of waste papers and commission on sales.

##### ◆ **Other Income**

Other Income includes Interest Income from Bank, Subsidy and Other Miscellaneous Incomes.

#### **Expenditure**



◆ **Cost of Material Consumed**

Cost of material consumed are primarily in relation to purchases of fibrous raw material. This Fiber is received from various sources including cloth rags, cellulose fibers from plants and most notable trees.

◆ **Purchases of Stock-in-Trade**

Purchases of Stock-in-Trade consists of waste papers and others.

◆ **Change in inventories of Finished Goods and Work in progress and Stock in Trade.**

Our changes in inventories of finished goods and work in progress primarily consists of work in progress and finished goods.

◆ **Employment Benefit Expenses**

Our employee benefits expense primarily comprises of Salaries, Wages & Bonus expenses, Remuneration to Directors, Contribution to Provident and Other Fund, Staff welfare expenses and Gratuity and Other Benefits etc.

◆ **Finance Cost**

It includes Interest Expense on Borrowings and other Financial Expenses.

◆ **Depreciation and Amortization Expenses**

Depreciation includes depreciation on Buildings, Plant & Equipment, Furniture & Fixtures, Computers, etc.

◆ **Other Expenses**

Other Expenses includes majorly Power & Fuel, Chemical, Consumable Stores, Packing Material, repair & Maintenance, Legal and Professional Expenses, Freight and Forwarding Charges, Insurance, Rental Charges, Audit Fee etc.

**FISCAL YEAR ENDED MARCH 31, 2024 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2023 (BASED ON RESTATED FINANCIAL STATEMENTS)**

**Revenues**

◆ **Total Income**

Total Income for the Financial year 2023-24, stood at Rs.34,678.28 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 40,130.91 Lakhs, representing a decrease of 13.59%. This decrease is mainly because of decrease in revenue from operations of the company.

◆ **Revenue of operations**

Net revenue from operations for the Financial Year 2023-24, stood at Rs. 33,860.08 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 39,833.21 Lakhs, representing a decrease of 15%. Even though number of units sold increased revenue from operations faced a drop due to decline in prices. This is due to bad demand for Kraft and duplex, analysed in association with waste paper dealers. As bad demand exerts pressure on the market, dealers and manufacturers are selling their stocked goods, this oversupply of waste paper in comparison to demand has led to a substantial drop in prices.

◆ **Other Income**



Other Income for the Financial Year 2023-24, stood at Rs. 818.20 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 297.70 Lakhs, which represents increase of 174.84%. This is because company has booked state subsidy of Rs.7.5 crore in 2023-24 with an increment of 191.30% from previous year. Also increase in other income is due to profit from sale of fixed assets of Rs. 14.45 lakhs.

## Expenditure

### ◆ Total Expenses

Total Expenses for the Financial Year 2023-24, stood at Rs. 32,258.48 Lakh whereas in Financial Year 2022-23 it stood at Rs. 39,151.35 Lakh, which represents decrease of 17.61% which is mainly due to better utilization of the resources on the account of quality control and implementation of lean sigma of raw material as exercised by Japanese Professional Entity, which works for increasing production efficiency and ensured high quality of raw material going into production process.

### ◆ Cost of material consumed

Cost of material consumed for the Financial Year 2023-24, stood at Rs. 21969.24 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 27850.30 Lakhs representing decrease of 21.12%. This decrease is due to fluctuation in prices of raw material and additionally recovery rate has increased from 87.5% to 92.5% due to betterment of quality of raw material.

### ◆ Purchase of Stock in trade

Purchase of stock in trade for the Financial Year 2023-24, stood at Rs. 689.50 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 102.74 Lakhs representing increase of 571.11% as trading of coal which is used as fuel and waste paper has increased. As it was Rs. 217 lakhs and Rs. 296 lakhs respectively for FY 2023-24 while in previous year it was Rs. 40 lakhs.

### ◆ Employment Benefit Expenses

Employee benefit expenses for the Financial Year 2023-24, stood at Rs. 582.22 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 607 Lakhs representing decrease of 4.08%. This is due to better efficiency was achieved due to continuous training, increased levels of operations, and better revenue generation per employee.

### ◆ Other Expenses

The Other Expenses for the Financial Year 2023-24, stood at Rs. 6,951.65 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 7,644.4 Lakhs, representing decrease of 9.06%, as company substituted bio mass fuel with cheaper RDF (Refuse Derived Fuel) resulting in lower fuel cost and thus decrease in other expense cost.

### ◆ Depreciation and Amortization Expenses

The Depreciation and Amortization Expenses for the Financial Year 2023-24, stood at Rs.1022.22 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 991.67 Lakhs, representing an increase of 3.08%. This is due to purchase of property plant and equipment of worth Rs. 2175.54 lakhs resulting in increase in depreciation.

### ◆ Finance Cost

Finance Cost for the Financial Year 2023-24, stood at Rs. 1398.02 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 1,084.56 Lakhs, representing increase of 28.90%. As short-term borrowings increased by Rs. 4664.22 Lakhs, interest on working capital loan increased. Thus, total finance cost increased.



#### ◆ Restated Profit before Tax

The restated profit before tax for the Financial Year 2023-24, stood at Rs. 2,419.80 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 979.57 Lakhs, which represents increase of 147.03% which is mainly due to better utilization of the resources on the account of quality control of raw material and increasing production efficiency and ensured high quality of raw material going into production process.

#### ◆ Restated Profit after Tax

The restated profit after tax for the Financial Year 2023-24, stood at Rs. 1659.53 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 864.52 Lakhs which represents increase of 91.96%. This is in line with profit before tax, which is mainly due to better utilization of the resources on the account of quality control of raw material and increasing production efficiency and ensured high quality of raw material going into production process.

### DETAILS OF FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022 (BASED ON RESTATED FINANCIAL STATEMENTS)

#### Revenues

#### ◆ Total Income

Total Income for the Financial Year 2022-23, it stood at Rs. 40,130.91 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 35,848.57 Lakhs representing an increase of 11.95%. There has been increase in income as compare to the last financial year mainly increase in revenue from operation on the account of increase in sales.

#### ◆ Revenue of operations

Net revenue from operations For the Financial Year 2022-23 stood at Rs. 39,833.21 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 35,641.08 Lakhs representing an increase of 11.76%. This is due to increase in volume sold as well as increase in sale price in paper market.

#### ◆ Other Income

Other Income for the Financial Year 2022-23 stood at Rs. 297.70 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 207.49 Lakhs representing an increase of 43.48%. This is because subsidy of Rs. 2.57 crore has been booked in the year stating an increase of 41.45% from last year.

#### Expenditure

#### ◆ Total Expenses

Total Expenses for the Financial Year 2022-23 stood at Rs. 39151.35 Lakhs. Whereas for the Financial Year 2021-22, it stood at 35033.90 Lakhs representing increase of 11.75% generally in line with the increase in total turnover and other incomes.

#### ◆ Cost of material consumed

Cost of material consumed for the Financial Year 2022-23, stood at Rs. 27850.30 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 23915.37 Lakhs representing increase of 16.45%. This increase is corresponding the increase of revenue from operations. As production increases, cost of material consumed increased.

#### ◆ Purchase of Stock in trade

Purchase of stock in trade for the Financial Year 2022-23, stood at Rs. 102.74 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 215.42 Lakhs representing decrease of 52.31%. As company did not undertake



major trading activity in the year due to improved quality of raw material, purchase of stock in trade decreased.

◆ **Employment Benefit Expenses**

Employee benefit expenses for the Financial Year 2022-23 stood at Rs. 607 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 567.16 Lakhs representing an increase of 7.03%, lower than the increase in Revenue from Operations, which registered increase of 11.76% in the same period. This better efficiency was achieved due to continuous training, increased levels of operations, and better revenue generation per employee.

◆ **Other Expenses**

The Other Expenses for the Financial Year 2022-23 stood at Rs. 7644.4 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 9015.73 Lakhs representing a decrease of 15.21%, Major reason for such decrease is optimum utilization of resources and significantly less use of chemicals.

◆ **Depreciation and Amortization Expenses**

The Depreciation and Amortization Expenses for the Financial Year 2022-23, stood at Rs. 991.67 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 1072.33 Lakhs, representing decrease of 7.52% which is calculated for the period and values, as per the utilization of assets for the Company's business. As the company uses written down value method for calculation of depreciation, resulting in lower depreciation without significant addition in fixed assets.

◆ **Finance Cost**

Finance Cost for the Financial Year 2022-23, stood at Rs. 1084.56 Lakhs whereas in Financial Year 2021-22 it stood at Rs. 1075.20 Lakhs representing an increase of 0.87%, which is not corresponding to the increase in Revenue from operations, which is 11.76% in the same period, its primarily due to economies of the scale, and better fiscal control exercised by the Company Management.

◆ **Restated Profit before Tax**

The restated profit before tax For the Financial Year 2022-23 stood at Rs. 979.57 Lakhs. Whereas for the Financial Year 2021-22, it stood at Rs. 814.67 Lakhs, representing an increase of 20.24%, It is primarily because of the increase in scale of operations, increase in revenue, and optimum utilization of resources.

◆ **Restated Profit after Tax**

The restated profit after tax For the Financial Year 2022-23 stood at Rs. 864.52 Lakhs. Whereas for the Financial Year 2021-22, it stood at 695.21 Lakhs, representing an increase of 24.35% in line with the increase in scale of operations, increase in revenue, and optimum utilization of resources.

**INFORMATION REQUIRED AS PER ITEM (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:**

**1. Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been notransactions or events, which in our best judgment, would be considered unusual or infrequent.

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

Other than as described in the section titled Risk Factors beginning on page 28 of this Draft Red Herring



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 Draft Red Herring Prospectus, particularly in the sections Risk Factors and Management 's Discussion and Analysis of Financial Condition and Results of Operations on pages 28 and 288, 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**

Income and sales of our Company on account of major activities derives from the business of sale of kraft paper, waste paper and commission on sale.

**5. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company's future costs and revenues can be impacted by an increase in labour costs as the company looks to hire talent with new skills and capabilities for the digital economy who may be in short supply.

**6. Future relationship between Costs and Income**

Our Company's future costs and revenues will be determined by competition, demand/supply situation, Indian Government Policies, and interest rates quoted by banks & others.

**7. 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.

**8. Total turnover of each major industry segment in which the issuer company operates.**

We operate only in the paper manufacturing industry engaged in manufacturing recycled paper-based Duplex Board products where we and our entire revenue from operations is generated from this industry. Details of the industry turnover and other relevant information is disclosed in the section "Industry Overview" beginning on page 130 of this Draft Red Herring Prospectus.

**9. 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 disclosure in this Draft Red Herring Prospectus.

**10. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

**11. Competitive Conditions**

We face competition from existing and potential competitors, which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "Our Business" on page 176 of this Draft Red Herring Prospectus.



## SECTION VII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except, as stated in this section and mentioned elsewhere in this Draft Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.*

Except as disclosed below there are no:

- a) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against the Promoters during the last five years;
- b) direction 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 company laws in the last five years against the Company, including fines imposed or compounding of offences done in those five years;
- f) material frauds committed against the Company in the last five years.

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving the Company, Promoters, Directors, and Group Companies/entities, would be considered material for the purposes of disclosure if:

- a) the monetary amount of the claim made by or against the Company, its joint venture(s) and directors in any such pending litigation is equal to or in excess of 10% of the consolidated revenue of the Company or 25% of the profits before tax of the Company (whichever is lower) as per the last audited financial statements of the Company for a complete financial year, as included in the Offer Documents; or
- b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (a) above; and
- c) any such litigation which does not meet the criteria set out in (a) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

Accordingly, we have disclosed all outstanding litigations involving the Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the



operations or performance of the Company.

**I. Litigations involving the Company**

**A. Against the Company**

- 1. Litigation involving Criminal Matters: NIL**
- 2. Litigation involving Civil Matters: NIL**
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
- 4. Litigation/Matters involving Tax Liabilities: NIL**

**B. By the Company**

- 1. Litigation involving Criminal Matters: NIL**
- 2. Litigation involving Civil Matters: NIL**
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
- 4. Litigation/Matters involving Tax Liabilities: NIL**

**II. Litigations involving Promoters/Directors**

**A. Against Promoters/Directors**

- 1. Litigation involving Criminal Matters: NIL**
- 2. Litigation involving Civil Matters: NIL**
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
- 4. Litigation/Matters involving Tax Liabilities: NIL**

**B. By Promoters/Directors**

- 1. Litigation involving Criminal Matters: NIL**
- 2. Litigation involving Civil Matters: NIL**
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**
- 4. Litigation/Matters involving Tax Liabilities: NIL**

**III. Litigations Involving Company's Group Entities**

**A. Against the Group Entities: NIL**

**B. By the Group Entities: NIL**

**IV. Litigations Relating to the Subsidiary Company**

**A. Against Directors of the Subsidiary Company: NIL**

**B. By Directors of the Subsidiary Company: NIL**

*Note: The Company has no Subsidiary Company*

**V. 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 offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against the company whose outcome could affect the operation or finances of the Company or have a material adverse effect on the position of the Company.



## VI. Details of the past penalties imposed on the Company / Directors

Except as disclosed above, below are the cases in the last five years in which penalties have been imposed on the Company or on Directors.

ACT	PROVISION	FORM	DATE	AMOUNT
Central Goods and Services Tax Act, 2017	SECTION 73(5) read with Rule 142(2) & 142(3),	DRC-03	1-3-2021	2,00,290/-

## VII. Outstanding dues to Creditors

As per the materiality policy of the Company for disclosing outstanding amounts to creditors. Based on the same, as on 31-03-2024 the Company had outstanding dues to creditors as follows:

(Rs. in Lakhs)

Particulars	31-03-2024
Trade Payables other than Micro, Small & Medium Enterprises	1571.50
Others	33.55
<b>Total</b>	<b>1605.05</b>

**We certify that except as stated herein above:**

- Except as provided below, 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, promoters, group entities, companies promoted by the promoters during the past three years.
- 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.
- There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies, and firms promoted by the Promoters.
- There are 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.
- There are no litigations against the Promoters / Directors in their personal capacity.
- The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- There is no material regulatory or disciplinary action by SEBI, stock exchange or regulatory authority in the past five year in respect of the promoters, group company's entities, entities promoted by the promoters of the company.
- There are no status of criminal cases filed or any investigation being undertaken with regard to alleged commission of any offence by any of the Directors. Further, none of the Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.
- The issue is in compliance with applicable provision of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.
- The Company has received a Show Cause Notice under section 142(1) of CGST Act, 2017 raising a demand of Rs. 14,45,701/- for the period pertaining to Apr-18 to Mar-22. The Company has filed its reply to the said show cause notice. The decision to this notice is still pending.

Neither the Company nor any of its promoters or directors is a willful defaulter.



## 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 Draft Red Herring 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 chapter titled “Key Industry Regulation and Policies” beginning on page 196 of the Draft Red Herring Prospectus.*

## CORPORATE APPROVALS FOR THIS ISSUE

1. The Board of Directors have, pursuant to resolutions passed at its meeting held on March 12, 2024 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 April 22, 2024 under section 62 (1) (c) of the Companies Act 2013, authorized the Issue.

## IN-PRINCIPLE APPROVAL

The Company has obtained approval from NSE vide its letter dated [●] to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.

## AGREEMENTS WITH NSDL AND CDSL

1. The Company has entered into an agreement dated May 10, 2024, with the Central Depository Services (India) Limited (CDSL), and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
2. The Company has also entered into an agreement dated May 13, 2024, with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
3. The Company’s International Securities Identification Number (ISIN) is INE0FLF01015.

## INCORPORATION DETAILS OF OUR COMPANY

S. No.	Authorization Granted	Issuing Authority	CIN	Date of Issue	Valid upto Validity
1.	Certificate of Incorporation in the name of “ <i>Nikita Papers Private Limited</i> ”	ROC-Uttar Pradesh	U21015UP1989PTC011059	18.08.1989	Perpetual
2.	Certificate of Incorporation for Conversion from Private	ROC-Uttar Pradesh & Uttaranchal	U21015UP1989PTC011059	12.06.2003	Perpetual



	to Public company in the name of “ <i>Nikita Papers Limited</i> ”				
3.	Certificate of Incorporation in the name of “ <i>Nikita Papers Limited</i> ”	ROC-Delhi	U74899DL1989PLC129066	12.06.2003	Perpetual
4.	Certificate of change of Registered office from UP to NCT of Delhi of “ <i>Nikita Papers Limited</i> ”	ROC-Delhi	U74899DL1989PLC129066	14.09.2004	Perpetual

### TAX RELATED AUTHORISATIONS OF COMPANY

S. No.	Authorisation Granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number	Income Tax Department, GoI	AAACN0473F	18.08.1989	Perpetual
2.	Tax Deduction Account Number	Income Tax Department, GoI	MRTN00298E	17.07.2004	Perpetual
<i>Details of GST registration of the Company</i>					
3.	GST Registration Certificate (Uttar Pradesh)	Centre Goods and Services Tax Act, 2017	09AAACN0473F1ZO	01.07.2017	Valid until cancellation

### BUSINESS RELATED CERTIFICATIONS

Our Company has received the following significant government and other approvals pertaining to our business:

S. No.	Authorization Granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Valid upto
1)	Legal Entity Identifier (LEI)	Ministry of Corporate Affairs	894500MAIDL75QB QTR06	04.12.2018	03.07.2026
2)	CCA under Section 25 of Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of Air (Prevention & Control of Pollution) Act, 1981	Uttar Pradesh Pollution Control Board	23239836	23.11.2023	31.12.2025



3)	Fire NOC	Uttar Pradesh Fire Service Department	UPFS/2022/48028/S ML /Shamli/196/JD	18.04.2022	17.04.2025
4)	Employees Provident Fund Organization	Ministry of Labour and Employment	MRMRT0019776000	16.09.2022	Valid until cancellation
5)	Authorization under Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Uttar Pradesh Pollution Control Board	13426	29.03.2021	28.03.2026
6)	Certificate for Use of Boiler	Uttar Pradesh Boiler Inspection Department	GT-5105	05.04.2023	27.03.2025
7)	Certificate for Use of Boiler	Uttar Pradesh Boiler Inspection Department	UP-6458	15.05.2023	14.05.2024
8)	Certificate for Use of Boiler	Uttar Pradesh Boiler Inspection Department	UP-8514	17.01.2024	13.12.2024
9)	License under Section 6 of The Factories Act, 1948	Labour Department, Uttar Pradesh	UPFA74000079	23.10.2021	31.12.2024
10)	FSC Certification	Independent Body	FSC-C159406	14.08.2020	13.08.2025
11)	Importer-Exporter Code	Ministry of Commerce & Industry	3393002996	13.01.1994	Valid until cancellation
12)	SIA Capacity	Ministry of Commerce & Industry	1286/SIA/IMO/2018	28.08.2018	Valid until cancellation

### NO OBJECTION CERTIFICATE (NOC) FROM AUTHORITIES

S.No.	Particulars	Issuing Authority	Issue Date
		NA	

### INTELLECTUAL PROPERTY

As per the records provided by Company, following are the trademarks/wordmark registered or objected in the name of the Company under The Trademarks Act, 1999:

Trademark/Wordmark	Date of application	Application number	Class	Current Status
NIPA	04.08.1992	578476	16	Registered



	11.03.2024	6341137	16	Accepted & Advertise
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**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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## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

1. This Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on March 12, 2024.
2. The Shareholders of our Company have authorized this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its EGM held on April 22, 2024, and authorized the Board to take decisions in relation to this Issue.
3. The Company has obtained approval from NSE vide its letter dated [●] to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.
4. Our Board has approved this Draft through its resolution dated July 05, 2024.
5. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “*Government and Other Approvals*” beginning on page 301 of this Draft Red Herring 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 or court.

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 or court.

### 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 willful 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 willful defaulter 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, and our 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 Draft Red Herring Prospectus.

## ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Offer in accordance with Regulation 229 (2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as the post issue face value capital is more than ten crore rupees and up to twenty-five crore rupees. Our Company also complies with the eligibility conditions laid by the Emerge Platform of NSE 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 100 % of the Total Issue Size.*** For further details pertaining to said underwriting please refer to “*General Information*” Underwriting on page 66 of this Draft Red Herring 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 four (4) 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 four (4) 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 Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus with SEBI along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Draft Red Herring Prospectus/ Red Herring 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 section titled “*General Information*”, “*Details of the Market Making Arrangements for this Issue*” on page 66 of this Draft Red Herring 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 or selling shareholders 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 willful defaulter or fraudulent borrower.
- 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 NSE Limited and NSE 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 dematerialization 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 is 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 dematerialized form.

### **NSE 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) more than ten crore rupees and upto twenty-five crore rupees.
3. **Track Record:**
  - a. **The Company should have a track record of at least 3 (three) years.**  
Our Company was incorporated on August 18, 1989 under the provisions of Companies Act, 1956, therefore we are in compliance of the track record.
  - b. The Company should have operating profit (earnings before interest, depreciation and tax) from operations for at least 2 financial years preceding the application and that the Company has track record of 3 years & the net-worth of the Company should be positive.

(Rs. In Lakh)

Particulars	March 31, 2024	FY 2023-24	FY 2022-23
Operating profit (earnings before interest, depreciation and tax)	4840.04	3055.8	2966.2
Net-worth	7,737.25	5,474.18	4609.66

### **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: [www.nikitapapers.com](http://www.nikitapapers.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 NSE 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 NSE Emerge.



## **DISCLAIMER CLAUSE OF SEBI**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING 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 DRAFT RED HERRING PROSPECTUS. THE LEAD MANAGER FAST TRACK FINSEC PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING 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 DRAFT RED HERRING PROSPECTUS, THE LEAD MANAGER, FAST TRACK FINSEC PRIVATE 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, FAST TRACK FINSEC PRIVATE LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 04, 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 DRAFT RED HERRING 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 DRAFT RED HERRING PROSPECTUS.

## **DISCLAIMER STATEMENT FROM OUR COMPANY, OUR DIRECTORS AND THE LEAD MANAGER**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring 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 [www.ftfinsec.com](http://www.ftfinsec.com) & [www.nikitapapers.com](http://www.nikitapapers.com) would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholder, and our Company.

## **CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issuemanagement, 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.**

#### **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 Rs. 2,500 Lakh, pension funds with minimum corpus of Rs. 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 Draft Red Herring 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 Draft Red Herring 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 Draft Red Herring Prospectus had been filed with NSE Emerge for its observations and NSE Emerge gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring 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 Draft Red Herring Prospectus in each jurisdiction, including India.



## **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE**

NSE Limited (NSE) has given vide its letter dated [●] 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 Emerge Platform. NSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. NSE 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 NSE; 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 NSE. 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 NSE, 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. NSE 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 Emerge 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 NSE / other regulatory authority. Any use of the Emerge platform and the related services are subject to Indian Laws and Courts exclusively situated in Delhi.

## **DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT, 1933**

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 Regulations 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.



## **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 Draft Red Herring Prospectus and the website of the Lead Manager at [www.ftfinsec.com](http://www.ftfinsec.com).

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**Price Information and the Track Record of the Past Issues Handled by the Lead Manager:**

**ANNEXURE-A**

**Disclosure of Price Information of Past Issues Handled by Merchant Banker(s)**

S. No.	Issue Name	Issue Size (Rs. in Cr.)	Issue Price (Rs.)	Listing Date	Operating Price on Listing Date	+/-% change in closing price, [+/-% change in closing benchmark]-30th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-90th calendar days from listing	+/-% change in closing price, [+/-% change in closing benchmark]-180th calendar days from listing
1.	Akiko Global Services Limited	23.11	77	July 02, 2024	98	Not Applicable	Not Applicable	Not Applicable
2.	Enser Communications Limited	16.17	70	March 22, 2024	72	Not Applicable	Not Applicable	Not Applicable
3.	Sungarner Energies Limited	5.31	83.00	August 31, 2023	250.00	(17.66) (0.95)	(27.57) 4.37	23.91 15.29
4.	Pearl Green Clubs and Resorts Limited	11.71	186.00	July 07, 2022	198.5	3.27 11.95	(0.50) 45.52	(2.92) 102.80
5.	Globesecure Technologies Limited	10.12	29.00	June 02, 2022	37.10	212.94 (5.35)	313.07 14.94	125.47 38.57
6.	Jeena Sikho	55.50	150.00	April	173.3	(12.69)	(18.16)	(15.17)



	Lifecare Limited			19,2022		(2.42)	(7.09)	22.78
7.	SBL Infratech Limited	2.37	111.00	September 28, 2021	125.00	(55.20)	(64.8)	(47.72)
						(0.53)	(3.77)	(3.48)
8.	Kranti Industries Limited	2.09	37.00	February 28, 2019	36.95	(1.22)	2.84	(12.04)
						(8.38)	1.62	(3.16)
9.	Goblin India Limited	15.20	52.00	October 15, 2019	56.60	125.71	80.21	(27.20)
						4.62	8.70	(20.29)
10	Ascom Leasing and Investments Limited	6.32	30.00	December 06, 2019	30.00	5.00	0.00	15.83
						(0.60)	(5.47)	(15.60)
11	Trekkingtoes.Com Limited	4.54	105.00	August 28, 2020	99.75	(55.59)	(59.90)	(67.92)
						(3.77)	12.14	28.67

**TABLE 1**

All share price data is from [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

Note:

- The S&P, SME IPO, Sensex and CNX Nifty are considered as the Benchmark Index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

**TABLE 2**

**Summary Statement of Disclosure**

Financial Year	Total no. of IPOs	Total Amount of Funds raised (Rs. Cr.)	No. of IPOs trading at discount-30th calendar days from listing			No. of IPOs trading at premium-30th calendar days from listing			No. of IPOs trading at discount-180th calendar days from listing			No. of IPOs trading at premium-180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25*	1	23.11	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	1	Nil	-	-	-	1	-	-	-	-	-	-	-	-
2022-23	3	77.32	-	-	1	1	-	1	-	-	2	1	-	-
2021-22	1	2.37	1	-	-	-	-	-	-	1	-	-	-	-
2020-21	1	4.54	1	-	-	-	-	-	1	-	-	-	-	-
2019-20	2	21.52	1	-	1	-	-	-	-	1	1	-	-	-
2018-19	1	2.09	-	-	1	-	-	-	-	-	1	-	-	-

\*Upto the date of this Draft Red Herring Prospectus



## LISTING

Application will be made to the NSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of NSE Limited has given its in-principal approval for using its name in our Offer documents vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of NSE Limited, our Company will forthwith repay, without interest, all moneys received from the Applicant in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 4 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 4 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 Emerge Platform of NSE 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 Promoters, 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 Red Herring 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 Red Herring 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 Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus with NSE.

## EXPERT OPINION

Except the report of the Peer Review Auditor on (a) the restated financial statements; (b) statement of tax benefits, Audit reports by Peer Review Auditors for year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023, & 2022 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 have not made any previous rights and/or public issues since incorporation, and are an Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an –Initial Public Offering in terms of the SEBI ICDR Regulations.

## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Other than as detailed under chapter titled “Capital Structure” beginning on page 76 of the Draft Red Herring 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 Draft Red Herring Prospectus.

## **PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY**

None of our Group Companies and Associates are listed and have undertaken any public or rights issue in the three (3) years preceding the date of this Draft Red Herring Prospectus.

## **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF OUR COMPANY**

Our Company has not undertaken any public or rights issue since incorporation preceding the date of this Draft Red Herring Prospectus.

## **PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTED SUBSIDIARIES OF OUR COMPANY**

As on the date of the Draft Red Herring Prospectus, our 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 Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

## **OPTION TO SUBSCRIBE**

Equity Shares being offered through this Draft Red Herring 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 centre 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 centre of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Applicant.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Applicant 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 Ms. Shefali Gupta as the Company Secretary and Compliance Officer and may be contacted at the following address:

### **Nikita Papers Limited**

A-10 Floor Ist Land Mark. Near Deepali Chowk,  
Saraswati Vihar. Pitampura. New Delhi - 110034  
Tel.; +91-7300712189  
E-mail: [info@nikitapapers.com](mailto:info@nikitapapers.com)  
Website: [www.nikitapapers.com](http://www.nikitapapers.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.*

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## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN) 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 laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, National Stock Exchange of India Limited, Registrar of Companies, Reserve Bank of India and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

### THE OFFER

The Offer consists of a Fresh Issue by our Company. Expenses for the Offer shall be borne by our Company in the manner specified in “Objects of the Issue” on page 110 of this Draft Red Herring Prospectus.

### RANKING OF EQUITY SHARES

The Equity Shares being Offered/Allotted and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends, Voting Power and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

### AUTHORITY FOR THE ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on March 12, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on April 20, 2024.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders 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, 2013. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the transferee who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, please refer to the chapter titled Dividend Policy beginning on page 236 of this Draft Red Herring Prospectus.

## **FACE VALUE, ISSUE PRICE, FLOOR PRICE AND PRICE BAND**

The face value of each Equity Share is Rs. 10/- and the Offer Price at the lower end of the Price Band is Rs. [●] /- per Equity Share (“Floor Price”) and at the higher end of the Price Band is Rs. [●] /- per Equity Share (“Cap price”). The Anchor Investor Offer Price is Rs. [●] /- per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchange. The Offer Price shall be determined by our Company, in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

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 THE SEBI ICDR DISCLOSURES**

Our Company shall comply with all the applicable requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

## **RIGHTS OF THE EQUITY SHAREHOLDER**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.



For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Main Provision of Article of Association*” on page 367 of this Draft Red Herring Prospectus.

#### **ALLOTMENT ONLY IN DEMATERIALIZED FORM**

As per the provisions of the Depositories Act, 1996 & regulations made thereunder and Section 29 of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement dated May 10, 2024 among Central Depository Services (India) Limited (CDSL), our Company and the Registrar to the Issue; and
- Tripartite agreement dated May 13, 2024 among National Securities Depository Limited (NSDL), our Company and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall 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. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE Limited 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 [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the EMERGE Platform of NSE from time to time by giving prior notice to investors at large. For further details, see “*Issue Procedure*” on page 327 of this Draft Red Herring Prospectus.

#### **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within two (2) working days of closure of Issue.

#### **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.



## **JURISDICTION**

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued 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 an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## **NOMINATION FACILITY TO THE INVESTOR**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall 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/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be titled to make afresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. to make such transfer of the equity shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the equity shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies 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 will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

## **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the equity shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI (ICDR) Regulations, 2018, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum



contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited.

## **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (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 applicant within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

## **MINIMUM SUBSCRIPTION**

This Offer is not restricted to any minimum subscription level. This Offer 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 Offer, 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 issuer fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four (4) 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 Offer is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information - Underwriting” on page 66 of this Draft Red Herring 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.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).



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.

## PERIOD OF SUBSCRIPTION LIST OF THE PUBLIC ISSUE

Event	Indicative Date
Anchor Opening//closing date	[•]
Offer Opening Date*	[•]
Offer Closing Date**	[•]
Finalization of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	[•]
Credit of Equity Shares to Demat Accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

*\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

*\*\*Our Company may in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations*

#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 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. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company and the BRLM. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchange. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. The SEBI is in the process of streamlining and reducing the post Issue timeline for initial public offerings.

Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above- mentioned timelines. Further, the Offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.



**In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

#### **Submission of Bids**

##### **Bid/Issue Period (except the Bid/Issue Closing Date)**

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))

##### **Bid/Issue Closing Date**

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST

##### **On the Bid/Issue Closing Date, the Bids shall be uploaded until:**

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event, large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken.

Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band



shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

### **MIGRATION TO MAIN BOARD**

In accordance with the National Stock Exchange of India Limited Circular dated April 20, 2023, our Company only after complying following conditions can be migrated to the Main Board of National Stock Exchange of India Limited as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

The conditions are:

- 1) Our company should have been listed on SME platform of the Exchange for at least 3 years.
- 2) Our company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
- 3) The total number of public shareholders of our company on the last day of the preceding quarter from date of application should be at least 1000 (One Thousand).
- 4) The Net worth of our company should be at least 50 crores.

**Our company may migrate to the main board of NSE Limited at a later date subject to the following:**

*a. If the Paid-up Capital of our Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in- principal approval from the main board), our Company shall apply to National Stock Exchange of India Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

**OR**

*b. If the paid-up Capital of our company is more than Rs. 10 Crores but below Rs. 25 Crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

## MARKET MAKING

The shares issued and transferred through this Offer are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the Emerge Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled General Information beginning on page 66 of this Draft Red Herring Prospectus.

## RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter Capital Structure beginning on page 76 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. 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 or regulations, which may occur after the date of the Draft Red Herring 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.

### **Application by eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, 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.



## **OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful Bidder will be done in the dematerialized form only. Bidder will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

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## ISSUE PROCEDURE

All Bidders should read 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 which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchange and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism.

The investors should note that the details and process provided in the General Information Document should be read along with this section. Additionally, all 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 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; (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 the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

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 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.

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.

## BOOK BUILDING PROCEDURE

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM, allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15.00% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.



The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

***Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Issue, subject to applicable laws.***

## **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Prospectus together with the Bid cum Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the BRLM to the Issue, Registrar to the Issue as mentioned in the Bid cum Application form. The bid cum application forms may also be downloaded from the website of NSE i.e., [www.nseindia.com](http://www.nseindia.com). Bidders shall only use the specified Bid cum Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus. All the Bidders shall have to apply only through the ASBA process. ASBA Bidders shall submit a Bid cum 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 Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. The Bid cum Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

### **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. Pursuant to the UPI Circulars, UPI will be 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 RIIs through 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 Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

a. Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six (6) Working Days.

b. Phase II: This phase commenced on completion of Phase I i.e., with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Bidder through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.



c. Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed [●] as the 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 Investors into the UPI mechanism.

Pursuant to the UPI Circular, 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 Circular 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 would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints in this regard, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to Rs. 5,00,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than Rs. 200,000 and up to Rs. 5,00,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

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.

For further details, refer to the "General Information Document" available on the websites of the Stock Exchange and the BRLM.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date.

### **Copies of the Anchor Investor Application Form will be available at the office of the BRLM.**

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA



process. The RII's Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Retail Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the Issue shall provide the investors' UPI linked bank account details to the RTA for the purpose of reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Bidders shall only use the specified Bid cum Application Form for the purpose of making a Bid in terms of the Red Herring Prospectus.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue
Anchor Investors**	White

*\*Excluding electronic Bid cum Application Form*

*\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.*

**Note:**

- ◆ Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to allotment.
- ◆ The shares of the Company, on allotment, shall be traded on stock exchanges in demat mode only.



- ◆ Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
- ◆ The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals;

**SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS**

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- i. An SCSB, with whom the bank account to be blocked, is maintained;
- ii. A syndicate member (or sub-syndicate member);
- iii. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (broker);
- iv. A depository participant (DP) (Whose name is mentioned on the website of the stock exchange as eligible for this activity);
- v. A registrar to an issuer and share transfer agent (RTA) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investorsto SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in theelectronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For Applications submitted by investorsto intermediaries other than SCSBs:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum 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 Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

### **WHO CAN APPLY?**

Persons eligible to invest under all applicable laws, rules, regulations and guidelines: -

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- 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;
- 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;
- Mutual Funds registered with SEBI;
- 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;
- 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);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the non-institutional applicants category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- 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;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;



- Multilateral and Bilateral Development Financial Institutions;
- 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;
- Insurance funds set up and managed by army, navy or air force of the Union of India
- Any other person eligible to applying in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications shall not be made by:

- a. Minors (except through their Guardians)
- b. Partnership firms or their nominations
- c. Foreign Nationals (except NRIs)
- d. 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 Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **a) For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares. As the Application Price payable by the Applicant cannot exceed Rs. 2,00,000, they can make Application for only minimum Application size i.e. for [●] Equity Shares.

##### **b) For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the 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 Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

#### **MEHTODS OF BIDDING PROCESS**

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional



newspaper with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published 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 the company is situated, and also by indicating the change on the websites of the Book Running Lead Manager.
- b) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- c) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- d) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- e) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- f) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum 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 SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders 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.

## **BIDS AT DIFFERENT PRICES LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

## **PARTICIPATION BY ASSOCIATES OF BRLM**

The BRLM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. All categories of Applicants, including associates and affiliates of the BRLM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

## **OPTION TO SUBSCRIBE IN THE ISSUE**

- a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

## **INFORMATION TO THE BIDDERS**

- 1) Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Red Herring 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 Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.



- 3) Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
- 4) Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
- 5) Bidders who are interested in subscribing for Equity Shares should approach Designated Intermediaries to register their applications.
- 6) Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Bidders whose beneficiary account is inactive shall be rejected.
- 7) The Bid Cum 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 Bidders has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
- 8) Bidders applying directly through the SCSBs should ensure that the Bid Cum 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 Bid Cum 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 Bidders, or in the case of application in joint names, the first Bidder (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 in transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders 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 Bidders.
- 10) The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum 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 Bid Cum Application Form is liable to be rejected.

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Bid by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company, in consultation with BRLM reserves the right to reject any application without assigning any reason thereof.



Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

As per the current regulations, the following restrictions are applicable for investments by mutual funds.

No mutual fund scheme shall invest more than 10.00% of its net asset value in the Equity Shares or equity related instruments of any single Company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should own more than 10.00% of any Company's paid up share capital carrying voting rights.

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 custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one 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.

#### **APPLICATION BY HUF**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum 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". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **APPLICATIONS BY ELIGIBLE NRI**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders bidding through UPI Mechanism) to block their Non-Resident External ("NRE") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("FCNR") accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorise their SCSB to block their Non-Resident Ordinary ("NRO") accounts or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum



Application Form for residents (white colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue colour).

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall 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 warrant. 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. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Non-debt Instrument Rules.

Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment. For details of restrictions on investment by NRIs, please refer to the chapter titled “Restrictions on Foreign Ownership of Indian Securities” beginning on page 361 of this Draft Red Herring Prospectus.

### **APPLICATIONS BY ELIGIBLE FIIs/FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for relevant business sector in India is 100% under automatic route.

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. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.



An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (“Operational FPI Guidelines”), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids (“MIM Bids”). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as “MIM Structure”). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

#### **APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURECAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “SEBI VCF Regulations”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

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 AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends, and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.



## 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 Limited Liability Partnership 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. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

## APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (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;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

## APPLICATIONS BY BANKING COMPANIES

**Applications by Banking Companies:** In case of Bids 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 Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 01, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.



However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in nonfinancial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in nonfinancial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and nonfinancial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, please refer chapter titled “Key Industry Regulations” beginning on Page No. 196 of this Draft Red Herring Prospectus.

**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 02, 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.

**Applications by Systemically Important NBFCs:** In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time. The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.



## APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 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.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, 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 reasons thereof.
- (b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- (c) With respect to applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring 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.**

## ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.



2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

### **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum 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 Bid Cum Application Form, please refer the above-mentioned SEBI link.

### **Terms of Payment**

The entire Offer price of Rs. [●] 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 Bidders.

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 Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum 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 Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer 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 Offer and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, 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 Issue 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 Issue have to use UPI as a payment mechanism with Application Supported by Blocked



Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

#### **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,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them, or
  - iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum 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 Book Running 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,
  - i. The applications accepted by any Designated Intermediaries
  - ii. The applications uploaded by any Designated Intermediaries or
  - iii. The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will 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 Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, 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 Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

<b>Sl. No.</b>	<b>Details</b>
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity



*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - 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 a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Red Herring 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 Book Running 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 Red Herring 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 Bid/ 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 Bid/ 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.

### **Build of the book**

a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.

b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Offer Period.

### **Withdrawal of Bids**

i. RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

ii. The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Price Discovery and Allocation**

a. Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Offer Price and the Anchor Investor Offer Price.

b. The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

c. Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

d. In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under subscription applicable to the Issuer, Bidders may refer to the RHP.

e. In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage. f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

### **Illustration of the Book Building and Price Discovery Process:**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given



below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/Prospectus with ROC**

- Our company has entered into an Underwriting Agreement dated [●].
- A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be filing with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, the company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue

Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI ICDR Regulations, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as Demographic Details). Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice. 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.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the National Stock Exchange of India Limited. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●] equity shares; and
  - b) 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.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. 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.

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.



## **TERMS OF PAYMENT**

The entire Issue price of Rs. [•] 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 or Sponsor Bank to unblock the excess amount paid on Application to the Applicants.

SCSBs or Sponsor Bank 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 or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank 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 FOR APPLICANTS**

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 sent by the Sponsor Bank. The SCSB or Sponsor Bank 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 ECL 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 may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000 shall use UPI.

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities on a regular basis before the closure of the issue.

On the Issue Closing Date, the Designated Intermediaries may upload the applications till such time as may be permitted by the Stock Exchange.

c) Only Applications that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. In the Phase 1, the Designated Intermediaries are given till 1:00 pm on the day following the Issue Closing Date to modify Select fields uploaded in the Stock Exchange Platform



during the Issue Period after which the Stock Exchange send the application information to the Registrar to the Issue for further processing.

## **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 05, 2003; the option to use the stock invest instrument in lieu of cheques or banks for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **GENERAL INSTRUCTIONS**

### ***Do's:***

- Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Ensure that you have Bid within the Price Band;
- Read all the instructions carefully and complete the applicable Bid cum Application Form in prescribed format;
- Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- All Bidders should submit their Bids through the ASBA process only;
- Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
- Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
- Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Bid cum Application Form;
- RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
- RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
- RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Offer;
- RIBs submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
- RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account,



where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;

- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms
- QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
- Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the I.T. Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per



the Application Form and the Draft Red Herring Prospectus;

***Don'ts:***

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest
- RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- 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 Rs. 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 Offer 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 General Index Register 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 Offer.
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
- All Investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;

The Applications should be submitted on the prescribed Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

## **OTHER INSTRUCTIONS**

### ***Joint Applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.



### ***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- (i) All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- (ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- (iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client's norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

## PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

## GROUNDS FOR REJECTIONS

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.



**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer. However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Net Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.



### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Net Offer size less Allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

### **c. For QIBs**

Bids received from QIBs Bidding in the QIB Category at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price.

Allotment shall be undertaken in the following manner:

*In the first instance allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:*

- i. In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.
- ii. In the event that the aggregate demand from Mutual Funds is less than [●] % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
- iii. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

*In the second instance Allotment to all QIBs shall be determined as follows:*

- i. In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●] % of the QIB Portion.
- ii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- iii. Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

### **c) Basis of Allotment for QIBs and NIIs in case of Over Subscribed Offer:**

In the event of the Offer being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE EMERGE (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- 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 oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).

The number of Shares to be allocated to the successful Bidders 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 Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
- Each successful Bidder shall be allotted [●] equity shares; and
- The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] 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 DRHP.

**“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 National Stock Exchange of India Limited.**

**The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer 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.**

#### **Issuance of Allotment advice**

- a. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- b. On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer. The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
- c. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Bidders 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 2 working days of the Bid/ 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.

### **Instruction for completing the Bid cum application form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum 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. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum 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 Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://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 Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum 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/](http://www.bseindia.com/) and NSE i.e. [www.nseindia.com/](http://www.nseindia.com/)

### **Bidder'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 Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum 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, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder 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 Bid cum Application form**

All Bid Cum 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 Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum 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 Offer in case of any pre-Offer or post Offer 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 SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Offer 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 3 (Three) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (Two) working days of the Offer 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.

### **Impersonation**

Attention of the Bidders 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**

Our Company undertakes the following:

1. that if our Company do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers in which the Pre- Issue advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. that if our Company withdraw 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 Issue;
3. That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
4. That all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of Issue Closing Date or such time as prescribed;



5. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
6. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
7. That no further Issue of Equity Shares shall be made till the Equity Shares issued through this Draft Red Herring Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.
8. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
9. That if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the ICDR Regulations and applicable law for the delayed period;
10. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time;

#### **Utilization of Issue Proceeds**

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) 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. Our Company undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

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## 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 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. Foreign investment is allowed up to 100% under automatic route in our Company.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

**As per the existing policy of the Government of India, OCBs cannot participate in this Issue. The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.**

**Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**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 this Draft Red Herring 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.**

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## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer, whose post issue face value capital is more than ten crore rupees and upto twenty-five crore rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“*SME Exchange*”), in this case being the NSE Emerge. For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 317 and 327 of this Draft Red Herring Prospectus.

### Issue Structure:

Initial Public Issue of upto 64,94,400 Equity Shares of face value ₹10 each (the “Equity Shares”) for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs (“the Issue”) by the issuer Company (the “Company”).

The Issue comprises a reservation of upto [●] Equity Shares of ₹ 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of upto [●] Equity Shares of ₹ 10 each (“the Net Issue”). The Issue and the Net Issue will constitute 26.33% and 25.00%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Upto [●]Equity Shares	Not more Shares than [●]Equity	Not less than [●] Equity Shares	Not less than [●]EquityShares
<b>Percentage of Issue Size available for allocation</b>	[●] of the IssueSize	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of theNet Issue

<b>Basis of Allotment</b> <sup>(3)</sup>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares	Proportionate basis subject to minimum allotment of [●] Equity Shares
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Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
		Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof



	may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.			
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids (4)			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process Through Banks or by using UPI ID for payment

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*

*(1) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.*

*(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*

*(3) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.*

*(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under **“Issue Procedure - Bids by FPIs”** on pages 327 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

### **Withdrawal of the Issue**

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/ Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ 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 Book Running 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 our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring 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) filing of Red Herring Prospectus with RoC.

### Issue Program

Event	Indicative Dates
Anchor Bid Opening/Closing	[•] <sup>1</sup>
Bid/ Issue Opening Date	[•] <sup>2</sup>
Bid/ Issue Closing Date	[•] <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account orUPI ID linked bank account	[•]
Credit of Equity Shares to Demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.

<sup>2</sup>Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

### Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on Emerge exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in Rs. )	Lot Size (No. of shares)
Upto 14	10000
More than 14 upto 18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than 120 upto 150	1000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400



More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

\*50% of the shares offered are reserved for applications below Rs.2.00 lakh and the balance for higher amount applications.

<b>ISSUE OPENING DATE</b>	[•]
<b>ISSUE CLOSING DATE</b>	[•]

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, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m.

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bidform, for a particular bidder, the detail as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- A standard cut-off time of 3.00 P.M. for acceptance of applications.
- A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.
- 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 NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded 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-Cum- Application Form, for a particular bidder, the details as per physical Bid- Cum-application form of that Bidder may be taken as the final data for the purpose of allotment. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

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## SECTION IX - MAIN PROVISION OF ARTICLE OF ASSOCIATION

### ARTICLES OF ASSOCIATION OF NIKITA PAPERS LIMITED

The Regulations contained in Table F in Schedule I to the Companies Act, 2013 shall apply to the Company and the Regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the Company and its members as if they are the terms of an agreement between them.

#### INTERPRETATION

(1) In these Articles — Interpretation Clause

a) Act means the Companies Act 2013.

b) Board means Board of Directors of the Company.

c) Directors means the Director of the Company and includes persons occupying the position of the Directors by whether names called.

d) Rules means the rules prescribed under the Companies Act 2013

e) Seal means the common seal of the company.

(2) The Company is a Public Company within the meaning of Section 2(71) of the Companies Act 2013 and has a minimum paid-up share capital as may be prescribed.

#### SHARE CAPITAL AND VARIATION OF RIGHTS

II. (1) (i) The Authorised Share Capital of the Company is shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association of the Company from time to time. (ii) The share capital of a company limited by shares shall be of the kinds namely a) Equity share capital with voting rights or with differential rights as to dividend voting or otherwise in accordance with such rules as may be prescribed and b) Preference share capital c) Any other kind that may be permissible. (2) Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time-to-time think fit.

(2) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided one certificate for all his shares without payment of any charges or several certificates each for one or more of his shares upon payment of twenty rupees for each certificate after the first. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon. In respect of any share or shares held jointly by several persons the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(3) If any share certificate be worn out defaced mutilated or torn or if there be no further space on the back for endorsement of transfer then upon production and surrender thereof to the company a new certificate may be issued in lieu thereof and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.



(4) Except as required by law no person shall be recognised by the company as holding any share upon any trust and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable contingent future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

(5) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under subsection (6) of section 40. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

(6) If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of section 48 and whether or not the company is being wound up be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

(7) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

(8) Subject to the provisions of section 55 any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may by special resolution determine.

#### **LIEN**

(9) The company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share and on all shares (not being fully paid shares) standing registered in the name of a single person for all monies presently payable by him or his estate to the company. Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien if any on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

(10) The company may sell in such manner as the Board thinks fit any shares on which the company has a lien. Provided that no sale shall be made 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.

(11) To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

(12) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue if any shall subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the person entitled to the shares at the date of the sale.

### CALLS ON SHARES

(13) The Board may from time to time make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. Each member shall subject to receiving at least fourteen-day notice specifying the time or times and place of payment pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed at the discretion of the Board.

(14) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

(15) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(16) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate if any as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.

(17) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date whether on account of the nominal value of the share or by way of premium shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum all the relevant provisions of these regulations as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

(18) The Board -

a. may if it thinks fit receive from any member willing to advance the same all or any part of the monies uncalled and unpaid upon any shares held by him and

b. upon all or any of the monies so advanced may (until the same would but for such advance become presently payable) pay interest at such rate not exceeding unless the company in general meeting shall otherwise direct twelve per cent per annum as may be agreed upon between the Board and the member paying the sum in advance.

### TRANSFER OF SHARES

(19) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(20) The Board may subject to the right of appeal conferred by section 58 decline to register the transfer of a share not being a fully paid share to a person of whom they do not approve or any transfer of shares on which the company has a lien.

(21) The Board may decline to recognise any instrument of transfer unless

a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56

b. the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and

c. the instrument of transfer is in respect of only one class of shares.



(22) On giving not less than seven days previous notice in accordance transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **TRANSMISSION OF SHARES**

(23) On the death of a member the survivor or survivors where the member was a joint holder and his nominee or nominees or legal representatives where he was a sole holder shall be the only persons recognised by the company as having any title to his interest in the shares Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

(24) Any person becoming entitled to a share in consequence of the death or insolvency of a member may upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect either to be registered himself as holder of the share or to make such transfer of the share as the deceased or insolvent member could have made. The Board shall in either case have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.

(25) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share he shall testify his election by executing a transfer of the share. All the limitations restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

(26) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

(27) In case of a One Person Company on the death of the sole member the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member the nominee on becoming entitled to such shares in case of the members death shall be informed of such event by the Board of the company such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable on becoming member such nominee shall nominate any other person with the prior written consent of such person who shall in the event of the death of the member become the member of the company.

#### **FORFEITURE OF SHARES**

(28) If a member fails to pay any call or instalment of a call on the day appointed for payment thereof the Board may at any time thereafter during such time as any part of the call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.

(29) The notice aforesaid shall name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and state that in the event of non-payment on or before the day so named the shares in respect of which the call was made shall be liable to be forfeited.

(30) If the requirements of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect.



(31) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid the Board may cancel the forfeiture on such terms as it thinks fit.

(32) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding the forfeiture remain liable to pay to the company all monies which at the date of forfeiture were presently payable by him to the company in respect of the shares. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

(33) A duly verified declaration in writing that the declarant is a director the manager or the secretary of the company and that a share in the company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The company may receive the consideration if any given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of the transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money if any nor shall his title to the share be affected by any irregularity or invalidity in the proceedings

(34) The provisions of these regulations 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 the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

#### **ALTERATION OF CAPITAL**

(35) The company may from time to time by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as may be specified in the resolution.

(36) Subject to the provisions of section 61 the company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amount than its existing shares convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

(37) Where shares are converted into stock the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit Provided that the Board may from time to time fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. The holders of stock shall according to the amount of stock held by them have the same rights privileges and advantages as regards dividends voting at meetings of the company and other matters as if they held the shares from which the stock arose but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares have conferred that privilege or advantage. such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words share and shareholder in those regulations shall include stock and stock-holder respectively.

(38) The company may by special resolution reduce in any manner and with and subject to any incident authorised and consent required by law its share capital any capital redemption reserve account or any share premium account.

#### **CAPITALISATION OF PROFITS**

(39) The company in general meeting may upon the recommendation of the Board resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions. The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause (iii) either in or towards paying up any amounts for the time being



unpaid on any shares held by such members respectively paying up in full unissued shares of the company to be allotted and distributed credited as fully paid-up to and amongst such members in the proportions aforesaid partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B) A securities premium account and a capital redemption reserve account may for the purposes of this regulation be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

(40) 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 capitalised thereby and all allotments and issues of fully paid shares if any and generally do all acts and things required to give effect thereto. The Board shall have power to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions and to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation or as the case may require for the payment by the company on their behalf by the application thereto of their respective proportions of profits resolved to be capitalised of the amount or any part of the amounts remaining unpaid on their existing shares Any agreement made under such authority shall be effective and binding on such members.

#### **BUY-BACK OF SHARES**

(41) Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force the company may purchase its own shares or other specified securities.

#### **GENERAL MEETINGS**

(42) All general meetings other than annual general meeting shall be called extraordinary general meeting.

(43) The Board may whenever it thinks fit call an extraordinary general meeting. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India any director or any two members of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.

#### **PROCEEDINGS AT GENERAL MEETINGS**

(44) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein the quorum for the general meetings shall be as provided in section 103.

(45) The chairperson if any of the Board shall preside as Chairperson at every general meeting of the company.

(46) If there is no such Chairperson or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting the directors present shall elect one of their members to be Chairperson of the meeting.

(47) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting the members present shall choose one of their members to be Chairperson of the meeting.

(48) In case of a One Person Company the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118 such minutes book shall be signed and dated by the member the resolution shall become effective from the date of signing such minutes by the sole member.



### **ADJOURNMENT OF MEETING**

(49) The Chairperson may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place. 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 and as provided in section 103 of the Act it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **VOTING RIGHTS**

(50) Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every member present in person shall have one vote and on a poll the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

(51) A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

(52) In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members.

(53) A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.

(54) Any business other than that upon which a poll has been demanded maybe proceeded with pending the taking of the poll.

(55) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

(56) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive.

### **PROXY**

(57) The instrument appointing a proxy and the power-of-attorney or other authority if any under which it is signed or a notarised copy of that power or authority shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

(58) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105

(59) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death insanity revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **BOARD OF DIRECTORS**



(60) The number of the directors shall not be less than three or not more than fifteen. The following shall be the First Directors of the Company

i. Shri NARESH CHAND BANSAL

ii. Shri SUDHIR KUMAR BANSAL

iii. Shri. ASHOK KUMAR BANSAL

(61) The remuneration of the directors shall in so far as it consists of a monthly payment be deemed to accrue from day-to-day. In addition to the remuneration payable to them in pursuance of the Act the directors may be paid all travelling hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company or in connection with the business of the company.

(62) The Board may pay all expenses incurred in getting up and registering the company.

(63) The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

(64) All cheques promissory notes drafts hundis bills of exchange and other negotiable instruments and all receipts for monies paid to the company shall be signed drawn accepted endorsed or otherwise executed as the case may be by such person and in such manner as the Board shall from time to time by resolution determine.

(65) Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

(66) Subject to the provisions of section 149 the Board shall have power at any time and from time to time to appoint a person as an additional director provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **PROCEEDINGS OF THE BOARD**

(67) The Board of Directors may meet for the conduct of business adjourn and otherwise regulate its meetings as it thinks fit. A director may and the manager or secretary on the requisition of a director shall at any time summon a meeting of the Board.

(68) Save as otherwise expressly provided in the Act questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes the Chairperson of the Board if any shall have a second or casting vote.

(69) The continuing directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum or of summoning a general meeting of the company but for no other purpose.

(70) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting the directors present may choose one of their number to be Chairperson of the meeting.



(71) The Board may subject to the provisions of the Act delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.

(72) A committee may elect a chairperson of its meetings. If no such Chairperson is elected or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting the members present may choose one of their members to be Chairperson of the meeting.

(73) A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes the Chairperson shall have a second or casting vote.

(74) All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

(75) Save as otherwise expressly provided in the Act a resolution in writing signed by all the members of the Board or of a committee thereof for the time being entitled to receive notice of a meeting of the Board or committee shall be valid and effective as if it had been passed at a meeting of the Board or committee duly convened and held.

(76) In case of a One Person Company where the company is having only one director all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118 such minutes book shall be signed and dated by the director the resolution shall become effective from the date of signing such minutes by the director.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

(77) Subject to the provisions of the Act A chief executive officer manager company secretary or chief financial officer may be appointed by the Board for such term at such remuneration and upon such conditions as it may think fit and any chief executive officer manager company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board A director may be appointed as chief executive officer manager company secretary or chief financial officer.

(78) A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer manager company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as or in place of chief executive officer manager company secretary or chief financial officer.

**THE SEAL**

(79) 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 authorised by it in that behalf and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

**DIVIDENDS AND RESERVE**

(80) The company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.



(81) Subject to the provisions of section 123 the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

(82) The Board may before recommending any dividend set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall at the discretion of the Board be applicable for any purpose to which the profits of the company may be properly applied including provision for meeting contingencies or for equalizing dividends and pending such application may at the like discretion either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may from time to time thinks fit. The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.

(83) Subject to the rights of persons if any entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the company dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

(84) The Board may deduct from any dividend payable to any member all sums of money if any presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

(85) Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(86) Any one of two or more joint holders of a share may give effective receipts for any dividends bonuses or other monies payable in respect of such share.

(87) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

(88) No dividend shall bear interest against the company.

#### ACCOUNTS

(89) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### WINDING UP

(90) Subject to the provisions of Chapter XX of the Act and rules made thereunder If the company shall be wound up the liquidator may with the sanction of a special resolution of the company and any other sanction required by the Act divide amongst the members in specie or kind the whole or any part of the assets of the company whether they shall consist of property of the same kind or not. For the purpose aforesaid the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may with the like sanction vest the whole or any part of



such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

(91) Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### **OTHERS**

(92) **POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE**

(a) Whenever such a resolution as aforesaid shall have been passed the Board shall

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares or other securities if any and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power(i) to make such provisions by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions and (ii) 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 or other securities to which they may be entitled upon such capitalization or as the case may require for the payment by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalized of the amount or any parts of the amounts remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on such Members. **BORROWING POWERS**

93. Subject to Section 179 of the Act and Regulations made thereunder the Directors may from time to time raise or borrow any sums of money for and on behalf of the Company from the Member or other persons companies or banks or they may themselves advance money to the Company on such interest as may be approved by the Directors.

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## SECTION X- OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The copies of 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 Draft Red Herring 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 Draft Red Herring Prospectus to be delivered to the ROC for filing and the documents for inspection referred to hereunder, may be inspected at the Registered office: A-10, First floor, Near Deepali Chowk Saraswati Vihar, Pitampura Delhi-110034, India from the date of filing this Draft Red Herring Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m. from Bid/Issue Opening Date until the Bid/Issue Closing Date.*

### MATERIAL CONTRACTS

1. Issue Agreement/ Memorandum of Understanding dated April 30,2024 between our company and the Lead Manager.
2. Agreement dated [●] between our company and the Registrar to the Issue.
3. Escrow Agreement dated [●] 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 [●] between our company and the Underwriters.
5. Market making Agreement dated [●] between our company, the Lead Manager and the Market Maker.
6. Agreement among NSDL, our Company and the Registrar to the Issue dated May 13, 2024.
7. Agreement among CDSL, our Company and the Registrar to the Issue dated May 10, 2024.

### 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 March 12, 2024 in relation to the Issue and other related matters.
3. Shareholders' resolution dated April 22, 2024 in relation to the Issue and other related matters.
4. Resolution of the Board of Directors dated February 10, 2024 and resolution of the Shareholders dated March 12, 2024 approving the terms of appointment of Mr. Ashok Kumar Bansal as Managing Director.
5. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, the Lead Manager, Registrar to the Issue, Peer review Auditor, Legal Advisor to the Issue, Market Maker and Bankers to our Company to act in their respective capacities.
6. Peer Review Auditors Report dated June 15, 2024 on Restated Financial Statements of our Company for the Financial Years ended March 31, 2024, 2023 and 2022.
7. The Report dated June 20, 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 Draft Red Herring Prospectus.
8. The Report dated July 01, 2024 by Legal Advisor to the Company confirming status of Outstanding Litigation and Material Development.
9. A project report titled "Techno Economic Viability Study" dated April 20, 2024, issued by Dun & Bradstreet Information Services India Pvt. Ltd. which is a paid report and was commissioned by us pursuant to an engagement letter dated February 28, 2024.
10. A search report dated April 15, 2024, issued by Neetu Saini and Associates which is a paid report and was commissioned by us pursuant to an engagement letter dated March 12, 2024.
11. Due diligence certificate submitted to NSE Emerge dated July 04, 2024 from Lead Manager to the Issue.



12. Peer Review Auditors Certificate for the Key performance Indicators dated June 20, 2024.
13. Resolution of the Board of Directors dated July 05,2024, approving the Draft Red Herring Prospectus
14. Resolution dated June 15, 2024 passed by the Audit Committee approving the key performance indicators for disclosure.
15. Copy of approval from NSE Emerge vide letter dated [•] to use the name of NSE in this offer document for listing of Equity Shares on Emerge Platform of NSE.
16. In-principle listing approvals dated [•] issued by National Stock Exchange of India Limited.

*Any of the contracts or documents mentioned in this Draft Red Herring 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.*

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## SECTION XI: DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft red herring prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this draft Red Herring prospectus are true and correct.

### SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

NAME OF DIRECTOR	SIGNATURE
Mr. Ashok Kumar Bansal DIN: 00321238 Designation: Managing Director	Sd/-
Mr. Sudhir Kumar Bansal DIN: 00321226 Designation: Director	Sd/-
Mr. Ayush Bansal DIN: 00774900 Designation: Whole Time Director	Sd/-
Mr. Sandhya Bansal DIN: 09190361 Designation: Director	Sd/-
Mr. Ashok Kumar Mittal DIN: 00246177 Designation: Independent Director	Sd/-
Mr. Sudhir Kumar Jain DIN: 10442316 Designation: Independent Director	Sd/-
Mr. Akash Gupta DIN: 07392916 Designation: Independent Director	Sd/-

### SIGNED BY THE CHIEF FINANCIAL OFFICER (CFO)

Sd/-

**Mr. Atul Aeron**

**Date: 05/07/2024**

**Place: Shamli**