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S.A. AANANDAN MILL LIMITED
Corporate Identification Number: U17116TN1996PLC036146

REGISTERED OFFICE		CORPORATE OFFICE	CONTACT PERSON	EMAIL
100, Srivilliputhur Road, Padikasuvaihanpatti Village, Mamsapuram, Rajapalayam, Virudhunagar District, Tamil Nadu 626110, India		N.A.	Reet Phulwani, Company Secretary & Compliance Officer	secretarial@saaindia.com
TELEPHONE / MOBILE NO.		WEBSITE		
+91 4563 233100		www.saaindia.com		
THE PROMOTER OF OUR COMPANY IS ANANDAN ILAVARASU				
Type	Fresh Issue Size	OFS size (by no. of shares or by amount in Rs.)	Total Issue Size	Eligibility
Fresh Issue	Upto 70,00,000 Equity shares aggregating up to ₹ [•] Lakhs	N.A.	Up to ₹ [•] Lakhs	The Issue is being made pursuant to Regulation 229(2) of SEBI (ICDR) Regulations. As the Company's post issue paid up capital is less than or equal to ₹100.00 lakhs
DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS – N.A.				
RISK IN RELATION TO THE FIRST ISSUE				
This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [•] times of the face value of the Equity Shares. The Issue Price determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page 92 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares 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 offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India (“SEBI”) nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the chapter titled “Risk Factors” beginning on page 23 of this Draft Prospectus.				
COMPANY’S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.				
LISTING				
The Equity Shares offered through this Draft Prospectus are proposed to be listed on the EMERGE Platform of NSE 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 NSE Limited.				
LEAD MANAGERS TO THE ISSUE			REGISTRAR TO THE ISSUE	
 FEDEX SECURITIES PRIVATE LIMITED B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East], Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Saipan Sanghvi SEBI Registration Number: INM000010163 Investor Grievance E-Mail: mb@fedsec.in			 CAMEO CORPORATE SERVICES LIMITED Subramanian Building, No. 1, Club House Road Chennai TN 600 002, India Tel No: 044 40020700 (5 lines) E-mail Id: priya@cameoindia.com Website: www.cameoindia.com Contact Person: Ms. K Sreepriya SEBI Registration No: INR000003753	
ISSUE PROGRAMME				
ISSUE OPENS ON: [•]			ISSUE CLOSES ON: [•]	



S.A. AANANDAN MILL LIMITED

Our Company was originally incorporated as a Private Limited Company in name and style of S.A. Aanandan Spinning Mills Private Limited under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 23, 1996 bearing Registration Number 18-36146 of 1996 issued by Registrar of Companies, Tamil Nadu. Subsequently, our Company was converted into a public limited company pursuant to Special Resolution passed by the members at the Extraordinary General Meeting dated May 02, 2022 and to reflect the legal status, the name of our Company was changed to S.A. Aanandan Spinning Mills Limited and a fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company issued by the Registrar of Companies, Chennai dated May 31, 2022 bearing Corporate Identification Number U17116TN1996PLC036146. Further, the name of our Company has been changed to S.A. Aanandan Mill Limited and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Chennai dated August 05, 2022.

Registered Office: 100, Srivilliputhur Road, Padikasuvaitanpatti Village, Mamsapuram, Rajapalayam, Virudhunagar District, Tamil Nadu 626110, India

Tel No. / Mob No: +91 4563 233100; **Email:** secretarial@saaindia.com; **Website:** www.saaindia.com

Contact Person: Reet Phulwani, Company Secretary & Compliance Officer

OUR PROMOTER: ANANDAN ILAVARASU

THE ISSUE

INITIAL PUBLIC ISSUE* OF UPTO 70,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF S.A. AANANDAN SPINNING MILL LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (THE "ISSUE PRICE"), (INCLUDING A PREMIUM OF ₹ [•] PER EQUITY SHARE), AGGREGATING ₹ [•] LAKHS ("THE ISSUE"), OF WHICH [•] EQUITY SHARES OF FACE VALUE OF ₹ 10/- FOR CASH AT A PRICE OF ₹ [•] EACH AGGREGATING ₹ [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE, AGGREGATING TO ₹ [•] LAKHS IS HEREINAFTER 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 THE COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO 239 OF THIS DRAFT PROSPECTUS.

*Subject to finalisation of basis of allotment.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS [•] TIMES OF THE FACE VALUE

THIS ISSUE IS BEING MADE THROUGH FIXED PRICE PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "**SEBI (ICDR) REGULATIONS**"), AS AMENDED AND RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "**ISSUE PROCEDURE**" BEGINNING ON PAGE 249 OF THIS DRAFT PROSPECTUS.

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, please refer to chapter titled "**Issue Procedure**" on page 249 of this Draft Prospectus. A copy of the Prospectus will be filed with the Registrar of Companies 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 the securities of our Company. The face value of the Equity Shares is ₹ 10/- per Equity Share and the Issue price is ₹ [•] per Equity Share and the Issue Price is [•] times of the face value. The Issue Price as determined by our Company in consultation with the Lead Manager as stated in the chapter titled on "**Basis for Issue Price**" beginning on page 92 of this Draft 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 or sustained trading in the equity shares of our Company 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 offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the chapter titled "**Risk Factors**" beginning on page 23 of this Draft Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the EMERGE Platform of NSE 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 NSE EMERGE for using its name in this Draft Prospectus for listing of our shares on the NSE EMERGE. For the purpose of this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited.

LEAD MANAGERS TO THE ISSUE



FEDEX SECURITIES PRIVATE LIMITED

B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East],

Mumbai - 400 057, Maharashtra, India

Tel No.: +91 81049 85249

E-mail: mb@fedsec.in

Website: www.fedsec.in

Contact Person: Saipan Sanghvi

SEBI Registration Number: INM000010163

Investor Grievance E-Mail: mb@fedsec.in

REGISTRAR TO THE ISSUE



CAMEO CORPORATE SERVICES LIMITED

Subramanian Building, No. 1, Club House Road

Chennai TN 600 002, India

Tel No: 044 40020700 (5 lines)

E-mail Id: priya@cameoindia.com

Website: www.cameoindia.com

Contact Person: Ms. K Sreepriya

SEBI Registration No: INR000003753

ISSUE PROGRAMME

ISSUE OPENS ON:

ISSUE CLOSES ON:

[•]

[•]

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SECTION - I – GENERAL

DEFINITION AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Tax Benefits*”, “*Restated Financial Statement*”, “*Outstanding Litigations and Material Developments*”, “*Key Industry Regulations and Policies*” and section titled “*Main Provision of Articles of Association*” on pages 95, 178, 218, 142, 283 respectively, of this Draft Prospectus shall have the meanings ascribed to such terms in the respective sections.

CONVENTIONAL OR GENERAL TERMS

Term	Description
“S.A. Aanandan Mill Limited”, “SAA”, “We” or “us” or “Our Company” or “the Issuer”	Unless the context otherwise indicates or implies refers to S.A. Aanandan Mill Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 2013 with its Registered office at Chennai.
Promoter / Core Promoter	Anandan Ilavarasu
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of SEBI ICDR Regulations as disclosed in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” on page 170 of this Draft Prospectus.
“you”, “your” or “yours”	Prospective Investors in this Issue.

COMPANY RELATED TERMS

Term	Description
AOA / Articles / Articles of Association	The Articles of Association of S.A. Aanandan Mill Limited, as amended from time to time.
Audit Committee	The Audit Committee of our Board, as described in “ <i>Our Management</i> ” on page 152 of this Draft Prospectus.
Auditors / Statutory Auditors / Peer Review Auditor	The Statutory Auditor of our Company, being M/s. Grandmark & Associates (FRN: 011317N) and Peer Review Number: 012124.
Board / Board of Directors / Our Board	The Board of Directors of our Company, including all committees duly constituted from time to time as described in “ <i>Our Management</i> ” on page 152 of this Draft Prospectus.
Company Secretary and Compliance Officer	The Company Secretary of our Company, being Reet Phulwani.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Paulsamy Govindaraj.
Corporate Identification Number (CIN)	U17116TN1996PLC036146
Director(s)	Director(s) on the Board of S.A. Aanandan Mill Limited as appointed from time to time, unless otherwise specified.
Equity Shares/Shares	Equity Shares of our Company having face value of ₹ 10.00/- each, fully paid up, unless otherwise specified in the context thereof.
Equity Shareholders / Shareholders	Persons /entities holding Equity Shares of our Company.

Term	Description
Group Companies	Companies (other than our Corporate Promoters and Subsidiaries) with which there were Related Party Transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “ <i>Our Group Companies</i> ” on page 174 of this Draft Prospectus.
Independent Director	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” on page 152 of this Draft Prospectus.
ISIN	International Securities Identification Number is INE0N7T01018
Key Management Personnel /KMP	Key Management Personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer “ <i>Our Management</i> ” on page 152 of this Draft Prospectus.
MoA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Section 178(1) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “ <i>Our Management</i> ” on page 152 of this Draft Prospectus.
NRIs / Non-Resident Indian	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, GoI.
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 validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Registered Office	Registered office of our Company at 100, Srivilliputhur Road, Padikasuvaithanpatti Village, Mamsapuram, Rajapalayam, Virudhunagar, Tamil Nadu- 626110, India
Registrar of Companies / ROC / RoC	Registrar of Companies, Chennai situated at Block No. 6, B' Wing, 2nd Floor Shastri Bhawan 26, Chennai, Tamil Nadu, India, 600034
Restated Financial Statements	The Restated Audited Financial Statements of our Company for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020 and for the stub period ended July 31, 2022, which comprises of the restated audited balance sheet, restated audited statement of profit and loss and the restated audited cash flow statement, together with the annexures and notes thereto disclosed in chapter titled “ <i>Restated Financial Statements</i> ” on page 178 of this Draft Prospectus.
Stakeholders' Relationship Committee	The Stakeholders Relationship Committee of the Board of Directors constituted as the Company's Stakeholders' Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “ <i>Our Management</i> ” 152 of this Draft Prospectus.

ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under SEBI ICDR Regulations and appended to the Application Forms.

Term	Description
Acknowledgement Slip	The acknowledgement slips or document issued by the Designated Intermediary to an applicant as proof of having accepted the Application Form.
Allot / Allotment / Allotted / Allotment of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allottee(s)	A successful Applicant to whom the Equity Shares are being allotted.
Allotment Advice	Note or advice or intimation of Allotment sent to each successful applicant who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allotment Date	Date on which the Allotment is made.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus. All the applicants should make application through ASBA only.
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 the Prospectus.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by applicants to make an application and authorize an SCSB to block the application Amount in the ASBA Account.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application Amount mentioned in the ASBA Form.
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicant which will be considered as the application for Allotment in terms of the Prospectus.
Bankers to the Company	ICICI Bank, Canara Bank
Banker to the Issue / Refund Banker / Public Issue Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account and Refund Account will be opened and in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in “ <i>Issue Procedure</i> ” on page 249 of this Draft Prospectus.
Business Day	Any day on which commercial banks are open for the business.
CAN /Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number of the Applicant’s Beneficiary Account.
Collection Centers	Broker Centers notified by National Stock Exchange of India Limited where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers, are available on the website of the National Stock Exchange of India Limited.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations (in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI) as per the list available on the website of the Stock Exchange.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Applicant with the Registrar to the Issue and EMERGE Platform of National Stock Exchange of India Limited and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable).

Term	Description
Depositories	National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant/DP	A depository participant registered with SEBI under the Depositories Act.
Designated CDP Locations	Such centres of the CDPs where applicant can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of National Stock Exchange of India Limited.
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, following which the Board may Allot Equity Shares to successful Applicant in the Issue.
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated RTA Locations	Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the National Stock Exchange of India Limited.
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the applicant, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”)
Draft Prospectus	The Draft Prospectus issued in accordance with the SEBI ICDR Regulations.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the ASBA Form and the Draft Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Draft Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations.
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Applicant Amount.
Escrow Agreement	An agreement to be entered among our Company, the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s) and the Lead Manager for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof.
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being [●].

Term	Description
First Applicant	Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations.
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, notified by SEBI.
Issue / Issue Size / Public Issue / IPO	Initial Public Issue of up to 70,00,000 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs.
Issue Agreement	The agreement dated December 29, 2022 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 the Issue closes for subscription.
Issue Opening Date	The date on which the Issue opens for subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective Applicants can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of Applicants. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published.
Issue Price	₹ [●] per Equity Share
Issue Proceeds	The proceeds from the Issue based on the total number of equity shares allotted under the issue.
Lead Manager/ LM	The Lead Manager to the Issue namely, Fedex Securities Private Limited.
Listing Agreement	The Listing Agreement to be signed between our Company and EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”)
Market Making Agreement	The Market Making Agreement dated [●] between our Company, the Lead Manager and Market Maker.
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of face value of ₹. 10.00/- each fully paid-up for cash at a price of ₹ [●] /- per Equity Share aggregating to ₹. [●] Lakhs for the Market Maker in this Issue.
MSME	Micro Small and Medium Enterprises.
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value ₹10.00/- each fully paid-up of our Company for cash at a price of ₹. [●] /- per Equity Share aggregating up to ₹ [●] Lakhs.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to chapter titled “ <i>Objects of the Issue</i> ” on page 83 of this Draft Prospectus.
Non-Institutional Bidders / Non-Institutional Investor / NIB/ NII	All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Applicant and who have applied for Equity Shares for an amount of more than ₹ 2,00,000.

Term	Description
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
Public Issue Account	The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to received monies from the ASBA Accounts.
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations.
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable.
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of BSE Limited having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012.
Registrar Agreement	The agreement dated December 22, 2022 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar to the Issue/Registrar	Registrar to the Issue being Cameo Corporate Services Limited.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Revision Form	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicant can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date.
SME	Small and medium sized enterprises.
Self-Certified Syndicate Bank(s) / SCSBs	<p>The list of SCSBs notified by SEBI for the ASBA process is available at http://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 Investors (other than a RIIs using the UPI Mechanism), not applicant through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.</p>

Term	Description
Sponsor Bank	Sponsor Bank being [●] being a Banker to the Issue, appointed by our Company 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 RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Specified Locations	Application Centres where the Syndicate shall accept Application Forms.
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form.
Underwriters	[●]
Underwriting Agreement	The Agreement dated [●] entered between the Underwriters and our Company.
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Circulars	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, SEBI circular No SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/ dated March 16, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID Created on the UPI for single-window mobile payment system developed by NPCI.
UPI PIN	Password to authenticate UPI transaction.
UPI Mandate Request	A request (intimating the RIIs by way of a notification on the UPI application and by way of a SMS directing the RIIs to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.
UPI Mechanism	The application mechanism that may be used by RIIs in accordance with the UPI Circulars to make an ASBA Bid in the Issue.
U.S Securities Act	U.S Securities Act of 1933, as amended.
Wilful Defaulter or fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI (ICDR) Regulations.
Working Days	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business;

Term	Description
	(c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

TECHNICAL /GENERAL AND INDUSTRY RELATED TERMS OR ABBREVIATIONS

Term	Description
bps	Basic Points
CAGR	Compound annual growth rate
CEPA	Comprehensive Economic Partnership Agreement
CPI	Consumer Price Index
FOB	Freight on Board
GDP	Gross Domestic Product
GVA	Gross Value Added
IIP	Index of Industrial Production
IMF	International Monetary Fund
LAF	Liquidity Adjustment Facility
MMF	Man Made Fibres
MSF	Marginal Standing Facility
PLI	Product Linked Incentive
PM MITRA	PM Mega Integrated Textile Region and Apparel
PPP	Purchasing Power Parity
RBI	Reserve Bank of India
RMG	Readymade Garments
RoDTEP	Remission of Duties and Taxes on Exported Products
RoSCTL	Rebate of State and Central Taxes and Levies
SDF	Standing Deposit Facility
USD	United States Dollar
WPI	Wholesale Price Index

CONVENTIONAL TERMS & ABBREVIATIONS

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Bn	Billion
CAGR	Compounded Annual Growth Rate (as a %): $(\text{End Year Value} / \text{Base Year Value})^{(1/\text{No. of years between Base year and End year}) - 1}$ [^ denotes ‘raised to’]
CARO	Companies (Auditor’s Report) Order, 2016, as amended
Capital Employed	Capital Employed is defined as the sum of fixed assets, other intangibles, goodwill, inventories and trade receivables, less trade payables
CCEA	Cabinet Committee on Economic Affairs
CDSL	Central Depository Services (India) Limited
CGST	Central GST
CIN	Corporate Identification Number
CPI	Consumer Price Index
CIS	Commonwealth of Independent States

Term	Description
CIT	Commissioner of Income Tax
COPRA	The Consumer Protection Act, 1986
Companies Act	Companies Act, 2013 read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Contract Act	The Indian Contract Act, 1872
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP	Depository Participant
DP ID	Depository Participant's identity number
EBIT	Earnings before interest and tax, calculated as profit before tax less other income, plus finance costs
EBITDA	Earnings before interest, tax, depreciation and amortization, calculated as profit before tax less other income, plus depreciation and amortization and interest.
EBITDA Margin	EBITDA Margin is the percentage of EBITDA divided by revenue from operations
ECL	Expected credit loss
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
Electricity Act	The Electricity Act, 2003
EMERGE	The SME platform of National Stock Exchange of India Limited
EOGM	Extraordinary General Meeting
EPFO	Employees' Provident Fund Organization
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	The Employees' State Insurance Act, 1948
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEE	Foreign Exchange Earnings
FEMA Act/ FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, GoI.
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal Year / FY	Unless stated otherwise, the period of twelve (12) months ending March 31 of that particular year
Fixed Asset Turnover	Fixed Asset Turnover is calculated as revenue from operations divided by average fixed assets
FMCG	Fast-moving consumer goods

Term	Description
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/Government	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST Act	The Central Goods and Services Tax Act, 2017
GMP	Good manufacturing practices
GST	Goods and services tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
IBC	Insolvency and Bankruptcy Code
ICAI	The Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEC	Import Export Code
IEM	Industrial Entrepreneurs Memorandum
IFRS	International Financial Reporting Standards
Rs. / Rupees / INR / ₹	Indian Rupees
IIP	Index of Industrial Production
IMF	International Monetary Fund
IP	Intellectual property
IT	Information technology
KMP	Key Managerial Personnel
Ltd.	Limited
LM	Lead Manager
IT Act	The Income-Tax Act, 1961
IT Rules	Income Tax Rules, 1962
Kms	Kilometres
LATAM	Latin America
LC	Letter of Credit
MAT	Moving annual total i.e. value sales of 12 months e.g. MAT March 2021 covers April 2020 to March 2021, as defined by IQVIA
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds-based lending rate
MNCs	Multi-National Companies
Multi-National Companies	Multi-National Companies
Mn	Mn
Million	Million
MT	MT
Metric Tonnes	Metric Tonnes
MTA	Metric Tonne Per Annum
Mutual Fund(s)	Mutual Fund(s)
Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996	Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996
MoU	MoU
Memorandum of Understanding	Memorandum of Understanding
N.A. / NA	Not Applicable
NACH	NACH

Term	Description
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RoCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	Unless the context requires otherwise, refers to, the National Stock Exchange of India Limited
STT	Securities Transaction Tax
Systemically Important NBFC or NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction account number
U.S. Securities Act	U.S. Securities Act of 1933, as amended
“U.S.” or “USA” or “United States”	United States of America including its territories and possessions, any State of the United States, and the District of Columbia

Term	Description
“U.S.” or “USA” or “United States”	United States of America
“USD” or “US\$”	United States Dollars
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

FORWARD-LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “propose”, “project”, “seek”, “will”, “will achieve”, “will continue”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

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

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Inability to identify the new premises may adversely affect the operations, finances and profitability of the Company;
- Shortfall in the supply of our raw materials or an increase in their prices, or of other input costs;
- Inability to adequately protect our Intellectual Property Rights;
- A material slowdown or shutdown in our manufacturing or R&D operations;
- Regulatory action, litigation or other liabilities against our manufacturing activities;
- Increased product liabilities due to failure to meet various quality standards and good manufacturing practices;
- Failure to obtain, maintain or renew statutory and regulatory licenses, permits and approvals required to operate our business both in India and abroad;
- Limited number of markets contribute to significant portion of our revenue from operations;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Outstanding legal proceedings involving our Company, certain of our Promoters and our Directors;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business; and
- The occurrence of natural disasters or calamities.

For further discussion of factors that could cause the actual results to differ from the expectations, see the section titled “**Risk Factors**” and chapter titled “**Business Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 23, 106 and 208 of this Draft Prospectus, respectively. 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 gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus and are not a guarantee of future performance.

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

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Prospectus to 'India' are to the Republic of India and its territories and possessions and all references herein to the 'Government', 'Indian Government', 'GoI', 'Central Government' or the 'State Government' are to the GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Draft Prospectus are to a calendar year.

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

Financial Data

Unless stated otherwise, the financial data in the Draft Prospectus is derived from the Restated financial statements of our Company for the stub period ended July 31, 2022 and for the financial years ended as on March 31 of 2022, 2021 and 2020 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on "Reports in Company Prospectus", as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the section titled "**Restated Financial Statements**" beginning on page 178 of this Draft Prospectus.

Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

In the Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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

Any percentage amounts, as set forth in the section / sections titled "**Risk Factors**", "**Business Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on page numbers 23, 106 and 208, respectively, of this Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

Industry and Market Data

Unless stated otherwise, industry data used throughout the Draft Prospectus has been obtained or derived from commissioned report titled "**Industry Research Report on Indian Textile Sector**" by Care Edge ("**Care Report**"). Care Edge has required us to include the following disclaimer in connection with the Care Report. The Care Report has been commissioned and paid for by our Company exclusively for the purposes of the Offer for an agreed fee. Further, Care vide their letter dated December 23, 2022 ("Letter") has accorded their no objection and consent to use the Care Report. Care, vide their Letter has also confirmed that they are an independent agency, and confirmed that it is not related to our Company, our Directors and our Promoters. For further details in relation to risks involving in this regard, see "**Risk Factors – We have commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data provided in the same.**" on page 23 of this Draft Prospectus.

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 Prospectus

is reliable, it has not been independently verified by the Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

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

Other than the engagement described above, Care Edge is independent and has no direct or indirect association with the Company, its Directors, Promoters and Lead Manager.

Currency and units of presentation

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

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

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten lakhs and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Exchange Rates

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

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

Currency#	As on July 31, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
1 USD	79.42	75.81	73.50	75.39

Source: www.fbiil.org.in

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares 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 state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions", as defined in, and in reliance on Regulation S.

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 Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

SUMMARY OF DRAFT PROSPECTUS

SUMMARY OF BUSINESS

Our business model is a diverse mix of manufacturing of cotton yarn & cotton blended yarn; and retail & wholesale of textiles and readymade clothing. Over the years we have been able to build our presence in India and overseas in the cotton yarn market and in the retail space within the geographical location of Chittoor, Andhra Pradesh.

We currently classify our business under the following 3 (three) verticals:

- Manufacturing (“Manufacturing Vertical”);
- Retail (“Retail business vertical”); and
- Wholesale (“Wholesale business vertical”)

For more details, please refer section titled “**Business Overview**” on page 106 of this Draft Prospectus.

SUMMARY OF INDUSTRY

India is one of the top two producers and consumers of cotton in the world and cotton forms an important segment of the overall textiles industry in India. The proportion of cotton is around 60% in raw material consumption basket of the Indian textile industry. The domestic cotton consumption is approximately 300 lacs bales (wherein, one bale equals to 170kg) per year which is approximately 20% of world cotton consumption off around 1500 lacs bales. With around 133 lakh hectares under cotton cultivation which is around 41% of the world area (320 lakh hectares), India stands first in cotton acreage.

For more details, please refer chapter titled “**Industry Overview**” on page 103 of this Draft Prospectus

PROMOTER

The Promoter of our Company is Anandan Ilavarasu.

ISSUE SIZE

The Issue size comprises of issuance of up to 70,00,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share (including premium of ₹ [●]/- per share) aggregating to ₹ [●] Lakhs. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on October 01, 2022 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on December 12, 2022 pursuant to section 62(1)(c) of the Companies Act.

OBJECTS OF THE ISSUE

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

(₹ in Lakhs)

Particulars	Total - estimated cost	Amount to be funded from Net Proceeds	Estimated utilisation of Net Proceeds in the Fiscal 2023	Estimated utilisation of Net Proceeds in the Fiscal 2024
Expenditure for opening new Multi Brand Outlet of our Company	1527.93	1527.93	200.00	1327.93
To meet the working capital requirements of our Company	NA	300.00	-	300.00
General corporate purposes *	[●]	[●]	[●]	[●]

*The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue

PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

Particulars	Pre-Issue	
	Number of Shares	Percentage (%) holding
Anandan Ilavarasu	1,03,51,211	63.39
Total (A)	1,03,51,211	63.39

Particulars	Pre-Issue	
	Number of Shares	Percentage (%) holding
Sudha Ilavarasu	67,802	0.42
K Ramasubramanian	167	Negligible
I Shilpaa	167	Negligible
Arjun Kalasalingam	167	Negligible
Sachin Aanandh	167	Negligible
Shilpa Impex Pte Ltd	59,10,347	36.19
Total (B)	59,78,817	36.31
Total (A+B)	1,63,30,028	100.00

SUMMARY OF RESTATED FINANCIAL INFORMATION

Particulars	Four-month period ended July 31, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Share Capital (<i>₹ in Lakhs</i>)	977.85	977.85	977.85	977.85
Networth (<i>₹ in Lakhs</i>)	2652.95	2290.35	1180.28	720.69
Revenue from operations (<i>₹ in Lakhs</i>)	5627.59	16529.29	13860.59	13566.28
Profit after Tax (<i>₹ in Lakhs</i>)	362.59	1110.06	459.59	(517.66)
Earnings per share (Basic & diluted) (<i>₹</i>)	3.71*	11.35	4.70	(5.29)
Net Asset Value per Equity Share (Basic & diluted) (<i>₹</i>)	27.13	23.42	12.07	7.37
Total borrowings (<i>₹ in Lakhs</i>)	5525.5	5517.91	5166.4	5486.83

*Not Annualised

QUALIFICATIONS OF AUDITORS

There are no Auditor qualifications, except to the non-provision of gratuity liability which requires adjustment and have not been given effect to in the Restated Financial Statements.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS

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

Nature of Cases	Number of Cases	Total Amount Involved (in ₹)
Proceedings against our Company		
Civil	3	3,30,795
Criminal	Nil	Nil
Proceedings by our Company		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	10	2,30,950
Proceedings against our Directors		
Civil	Nil	Nil
Criminal	Nil	Nil
Proceedings by our Directors		
Civil	Nil	Nil
Criminal	1	Not ascertainable
Tax	3	14,948
Proceedings against our Promoter		
Civil	Nil	Nil
Criminal	Nil	Nil
Proceedings by our Promoter		

Nature of Cases	Number of Cases	Total Amount Involved (in ₹)
Civil	Nil	Nil
Criminal	1	Not ascertainable
Tax	Nil	Nil
Proceedings against our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil
Proceedings by our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	13	40,68,520

For further details, please refer chapter titled “*Outstanding Litigations & Material Developments*” beginning on page 218 of this Draft Prospectus.

RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” on page 23 of this Draft Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

The following table sets forth our contingent liabilities as of as at July 31, 2022 and for the Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020 as per Restated Financial Statement:

(₹ in Lakhs)

Particulars	Four-month period ended July 31, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Estimated obligation on account exports if corresponding EPCG Licence Duty obligation is not satisfied.	981.35	981.35	969.65	969.65
Invoices Bill Discounting - Foreign	719.81	817.82	144.29	487.25
Total	1701.16	1799.18	1113.95	1456.91

For further details of our contingent liabilities, see “*Restated Financial Statement*” on page 178 of this Draft Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

Following are the details as per the Restated Financial Information for the four-month period ended on July 31, 2022 and for the Financial Year ended on March 31, 2022, March 31, 2021 and March 31, 2020:

Transaction during the year with related parties:

Name of Related Party	Aandan Ilavarasu			
Relationship	Key Management Personnel			
Nature of Transaction	Value in (₹ Lakhs)			
	July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Loan Received	-	-	-2.81	-
Loan Amount Repaid	9.41	4.58	-	76.15
Loan Outstanding	126.09	135.50	140.08	137.27
Remuneration paid	8.00	24.00	24.00	22.00

Name of Related Party	Sudha Ilavarasu			
Relationship	Director			
Nature of Transaction	Value in (₹ Lakhs)			
	July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Loan received	-	-	-	-

Remuneration paid	2.00	6.00	6.00	3.00
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Name of Related Party	Naatchiar Textile Exporters			
Relationship	Director's Interested Concern			
Nature of Transaction	Value in (₹ in Lakhs)			
	July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Purchase of goods	-	-	483.00	-
Sale of goods	-	-	483.56	116.68
Trade receivables	-	-	0.16	-
Rent Expenditure	1.19	3.56	3.58	3.56
Sundry Creditors – Building Rent	2.81	1.62	-	-

Name of Related Party	Jayanachiar Textile Mills Private Limited			
Relationship	Director's Interested Concern			
Nature of Transaction	Value in (₹ in Lakhs)			
	July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Purchase of goods	-	-	483.00	57.90
Sale of goods	-	-	483.00	57.84
Trade Receivable	-	-	-	-

Name of Related Party	Nachiar Healthcare Fabrics Private Limited			
Relationship	Director's Interested Concern			
Nature of Transaction	Value in (₹ in Lakhs)			
	July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Purchase of goods	-	-	483.00	-
Sale of goods	1.45	1.42	485.32	0.99
Trade receivables	1.45	-	38.00	0.99
Trade Payables	-	-	-	-

Name of Related Party	Nachiar Spinning Mills Private Limited			
Relationship	Director's Interested Concern			
Nature of Transaction	Value in (₹ in Lakhs)			
	July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Purchase of goods	-	20.94	553.02	89.46
Sale of goods	0.91	-	531.30	89.37
Trade Receivables	-	-	14.55	-
Loan given to	-	450.00	-	-
Loan received back	-	450.00	-	-

Name of Related Party	Shilpa Impex PTE Limited			
Relationship	KMP's Interested concern			
Nature of Transaction	Value in (₹ in Lakhs)			
	July 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Shares subscribed	-	-	-	-
Sale of goods	-	42.37	474.29	2052.97
Trade receivables	78.29	75.03	335.36	249.69
Advances made	-	-	-	-
Advances Outstanding	531.5	509.36	-	-

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our Directors 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 a period of six (6) months immediately preceding the date of this Draft Prospectus.

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

The weighted average price at which the equity shares were acquired by our Promoter in the one year preceding the date of this Draft Prospectus.

Name	Number of Shares	Average Cost of Acquisition per Equity Share (in ₹)*
Anandan Ilavarasu	41,52,881	Nil

**As Certified by the Grandmark & Associates, Statutory Auditors vide their certificate dated January 03, 2023.*

AVERAGE COST OF ACQUISITION

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

Name	Average Cost of Acquisition per Equity Share (in ₹)*
Anandan Ilavarasu	5.99

**As Certified by the Grandmark & Associates, Statutory Auditors vide their certificate dated January 03, 2023.*

DETAILS OF PRE-ISSUE PLACEMENT

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

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR

Date of Issue/ Allotment	No. of Equity shares Allotted	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Name of Allottees	No. of Shares Allotted	Benefits Accrued
December 16, 2022	65,51,568	100	N.A.	Bonus Issue	Anandan Ilavarasu	41,52,881	Capitalization of Reserves & Surplus
					Sudha Ilavarasu	27,202	
					Shilpa Impex Pte Ltd.	23,71,217	
					K Ramasubramanian	67	
					I Shilpaa	67	
					Arjun Kalasalingam	67	
					Sachin Aanandh	67	

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Except as disclosed in the section, “*Capital Structure*” beginning on page 70 of this Draft Prospectus, our Company has not undertaken any split/consolidation of its Equity Shares in the last one year from the date of this Draft Prospectus.

EXEMPTION FROM PROVISIONS OF SECURITIES LAW

Our Company has not applied or received any exemption from complying with any provisions of Securities Law by SEBI.

SECTION - II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may occur and adversely impact our business, cash flows, prospects, results of operations and financial condition. To obtain a complete understanding of our business and operations and legislations governing our business, you should read this section in conjunction with the sections “**Industry Overview**”, “**Our Business**”, “**Key Regulations and Policies in India**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 103, 142, 142, and 208, respectively of this Draft Prospectus. Unless specified or quantified in the relevant risk factor below, we cannot quantify the financial or other implications of any of the risks mentioned in this section. If any of the following risks, some combination of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of us and the terms of the Issue, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including but not limited to the considerations described below and elsewhere in this Draft Prospectus. For details, see “**Forward-Looking Statements**” on page 14 of this Draft Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information for the four-month period ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, included in this Draft Prospectus.

Internal Risks

- 1. We do not have long term agreements for supply of our raw materials. If we are unable to procure raw materials of the required quality and quantity, at competitive prices, our business, results of operations and financial condition may be adversely affected.***

The major raw material used in our manufacturing business is Cotton and yarn. For the Financial Year ended March 31, 2022 and for the four-month period ended July 31, 2022, we sourced raw materials from over 30 suppliers and 10 suppliers, respectively. We procure a large portion of our raw materials from a few key suppliers, any disruption of supply of raw materials from such suppliers could adversely impact our operations and business if we are unable to replace such suppliers in a timely manner. We cannot assure you that we will be able to enter into new arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business and profitability. For the four-month period ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020 purchases from our top ten suppliers contributed to 100.00%, 68.17%, 67.05% and 41.50%, respectively of our total purchases. Thus, if we experience significant increased demand, or need to replace an existing supplier, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Further, the amount of raw materials procured and the price at which we procure such raw materials,

may fluctuate from time to time and the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in Government policies and regulations, including those relating to the textile industry in general.

The prices of domestic cotton in India, which is the raw material for cotton yarn products, fluctuate based on the demand and supply and is seasonal in nature. The supply and quality of cotton is subject to adequate rainfall and other weather conditions. Due to this, we are required to stock domestic cotton in large quantities. Any material shortage or interruption in the domestic supply or decrease in the quality of cotton due to shortage of rainfall or other factors like the widespread floods, or an unprecedented event like COVID-19 in the year 2020 causing immeasurable economic consequences could affect our ability to timely deliver to our customers which may adversely affect our operations and business.

For the four-month period ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, 60.00%, 0.00%, 1.05 % and 63.46 %, respectively, of our total raw materials consumed, were imported. Our imports may be subject to foreign exchange fluctuations, political instability, duties, logistical bottlenecks, etc. The sourcing and procurement of the raw materials requires a particular skill set which ensures that the quality of raw materials is consistent. An inability to procure quality raw materials on a consistent basis may lead to a decline in the quality of our products which made lead to an increase in the cost of the product, decline in our sales volumes and profit margins and adversely affect our results of operations.

There has been one instance in the past where we have faced a shortage of imported raw materials due to delay in delivery of imported raw material from September 16, 2022 to mid of October 10, 2022. For such period we have to curtail our shift to 2 shifts per day of 8 hours each for a period of approx 1 month against, the 3 shifts per day of 8 hours each. There can be no assurance that such event will not occur in future and we would always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins and adversely affect our results of operations.

2. *Our retail and wholesale business are subject to seasonality.*

Our Retail verticals are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, we see an increase in our business before festive seasons and during end of season sales. For the Financial Year ended March 31, 2022 our peak sales from Retail business vertical and Wholesale business vertical during the period December 1, 2021 to January 31, 2022 was ₹ 491.02 Lakhs and constituted 24.42% of the total sales from Retail business vertical and Wholesale business vertical. As a result, our revenue and profits may vary significantly during different financial periods and certain periods may not be indicative of our financial position for a full financial year and may be significantly below the expectations of the market, analysts and investors. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods. Further, any decrease in sales during festive period may adversely affect our business, results of operations and financial condition.

3. *We are involved in certain legal proceedings and may face certain liabilities as a result of the same.*

Our Company is involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. For details kindly refer chapter titled “***Outstanding Litigation and Material Developments***” at page no 218 of this Draft Prospectus. A brief detail of such outstanding litigations as on the date of this Draft Prospectus are as follows:

Nature of Cases	Number of Cases	Total Amount Involved (in ₹)
Proceedings against our Company		
Civil	3	3,30,795
Criminal	Nil	Nil
Proceedings by our Company		

Nature of Cases	Number of Cases	Total Amount Involved (in ₹)
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	10	2,30,950
Proceedings against our Directors		
Civil	Nil	Nil
Criminal	Nil	Nil
Proceedings by our Directors		
Civil	Nil	Nil
Criminal	1	Not ascertainable
Tax	3	14,948
Proceedings against our Promoter		
Civil	Nil	Nil
Criminal	Nil	Nil
Proceedings by our Promoter		
Civil	Nil	Nil
Criminal	1	Not ascertainable
Tax	Nil	Nil
Proceedings against our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil
Proceedings by our Group Companies		
Civil	Nil	Nil
Criminal	Nil	Nil
Tax	13	40,68,520

We cannot provide any assurance that these matters will be decided in favour of the above-mentioned entities or persons. Further, there is no assurance that legal proceedings will not be initiated against our Company, its Directors, Promoters or Group Companies in future.

4. *Our manufacturing business depends on our production facility in Rajapalayam, Tamil Nadu and the loss of or shutdown of operations of the production facility on any grounds could adversely affect our business or results of operations.*

We carry on our manufacturing activities from our Manufacturing Facility located in Tamil Nadu. Our Manufacturing Facility are subject to operating risks such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, raw material shortage or unsuitability, obsolescence, labour disputes, strikes, lock-outs, non-availability of services of our external contractors, earthquakes and other natural disasters, pandemic, social unrests, industrial accidents, our ability to respond to technological advances and emerging industry and safety standards and practices in the industries in which we operate and propose to operate on a cost-effective and timely basis and any other factors which may or may not be within our control and also we need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition, results of operations and the trading price of our Equity Shares may be adversely affected by any disruption of operations at our facilities, including any shutdown of our operations due to any COVID-19 restrictive guidelines.

Further, due to the geographic concentration of our Manufacturing Facilities Facility and Post Spinning Process Facilities in and around Rajapalayam, Tamil Nadu and our warehouses around Chittoor, our operations are susceptible to local and regional factors, such as accidents, system failures, civil unrest as well as other adverse social, economic and political events in India, weather conditions, natural disasters, regional conflicts and demographic and population changes, and other unforeseen events and circumstances which may disrupt our production and significantly affect our business, financial

condition and profitability. Our warehouses act as a facility for storage and onward delivery of our merchandise to our retail stores and wholesale store. In particular, incidents of fire, damage to, or inability to access, our Manufacturing Facility and Post Spinning Process Facilities Manufacturing Facilities or warehouses, or other issues preventing the normal operation could hinder the manufacturing or distribution of our products. In such case, we may need to utilize alternative facilities to manufacture or store our products. However, we may not be able to do so in a timely manner, or at all. While we have not experienced any such disruptions in the past, we cannot assure you that we will be able to effectively manage any potential losses arising from any such events, which may adversely affect our business, cash flows, financial condition and results of operations.

5. *Our expansion into new product categories and a substantial increase in the number of products offered may expose us to new challenges and more risks.*

We currently manufacture cotton yarn, its blend and processed yarn. We continuously strive to develop new products and have recently set up processes for manufacturing of cotton blended yarn viz., Cotton blended yarn with (a) cellulosic fibres like viscose, modal, high tenacity viscose & bamboo; (b) recycled fibres like cotton (pre-consumer), Viscose (post-consumer) & Polyester (post-consumer); (c) bast fibres like Linen, Hemp & Ramie; and (d) animal fibres like mulberry silk after extensive in-house research, in which we have limited experience and where we buy fibres recovered from fabrics (pre consumer) and hard waste (post-consumer) and convert them into yarns for fabrics. Our limited experience with such new products may expose us to new challenges which may in turn also impact our product mix and revenues in future. Our customers may reject the entire order if the products developed are not as per their specifications and we run the risk of recall and any product liability due to defects in our products. Revenue generated from sale of our manufactured products represented 85.08%, 82.66%, 81.97% and 83.09% of our revenue from operations for the four-month period ended July 31, 2022 and for Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, respectively. Therefore, our past results of operations should not be taken as indicative of our future performance. If we cannot successfully manage our product mix, address new challenges or compete effectively, we may not be able to recover costs of our investments and eventually achieve profitability, and our future results of operations and growth prospects may be materially and adversely affected.

6. *We do not have long-term agreements with a majority of our customers. Any changes or cancellations to our orders or our inability to forecast demand for our products may adversely affect our business, results of operations and financial condition.*

We do not have firm commitments or long-term supply agreements with a majority of our customers and instead rely on purchase orders. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule, and the quantities to be delivered are determined closer to the date of delivery. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules. Cancellations or unanticipated variations or scope or schedule adjustments may occur due to unforeseen circumstances. The occurrence of any such events may lead to the cancellation of orders or the deferment of revenue, which may adversely affect our business, results of operations and financial condition.

Additionally, as we do not bind a majority of our customers to any long-term agreements specifying a certain volume of business required to be transacted between us, our customers may terminate their relationship with us, with or without cause, with no advance notice and without compensation. Consequently, there is no commitment on the part of the customer to continue to place new purchase orders with us and as a result, our sales from period to period may fluctuate significantly.

Further, absence of any contractual exclusivity in relation to our business arrangements with our customers poses a threat on our ability to be able to continue to supply our products to these customers in the future. If we overestimate demand, we may incur additional raw materials costs and manufacture a higher of number of products than required. Similarly, if we underestimate demand, we may not procure sufficient raw material in a timely manner, which could impact our production and delivery schedules. Any significant inaccuracy in demand forecasting may adversely impact our ability to deliver products to customers in a timely manner, or at a competitive cost, which may adversely affect our business, results of operations and financial condition

7. ***If we are unable to gauge the demand of our products accurately and are unable to maintain an optimal level of inventory, our business, results of operations and financial condition may be adversely affected.***

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in our forecast could result in either surplus stock, which we may be unable to sell in a timely manner, or at all, or under-stocking, which will affect our ability to meet customer demand. We plan our inventory and commence our production based on the forecast and anticipated demand. We have inventory manufactured and stored at our warehouses and seek to maintain an optimal level of inventory which is important to our business as it allows us to respond to customer demand effectively.

As of July 31, 2022 and as of March 31, 2022, 2021 and 2020, our inventory as a percentage of our current assets was 61.72%, 62.52%, 76.38%, and 72.71%, respectively. Our inventory cycle (i.e., inventory turnover days) were 149.90 days (not annualised), 129.50 days, 107.54 days and 142.71 days, for the four-month period ended July 31, 2022 and in Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, respectively. Given the nature of our business, we end up blocking substantial amount of funds while managing the inventory. Such blocked amounts are realised only at a later date due to the inventory cycle. Ensuring availability of our products requires prompt turnaround time and a high level of coordination amongst our personnel, including the purchase team, production team, sales and marketing team and quality control team. Despite having tracking systems to monitor stock level at all our stores, in the event of under-stocking of inventory across the board, our ability to meet customer demand may be adversely affected. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand, we may experience excess inventory levels or a shortage of products available for sale. If we under-stock inventory, our ability to meet customer demand may be impaired. If we over-stock inventory, our capital requirements may increase, we may incur additional financing costs and we may incur costs relating to aging and obsolescence of inventory as well as excess raw material. Any unsold inventory may have to be sold at a discount or discarded, potentially leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition.

8. ***We are dependent on third party logistic and support service providers for the delivery of raw materials and finished products and any disruptions in their services including transportation services or a decrease in the quality of their services may adversely affect our business, financial condition and results of operations***

We rely on third party logistic and support service providers including for transportation services at multiple stages of our business activities, including for procurement of raw materials from our suppliers and for transportation of our finished products from our manufacturing facility to our customers and warehousing facilities. We generally use water and road transportation services to meet our transportation requirements.

We typically engage and hire recognized service providers through the spot contracts basis factors including cost, availability and delivery schedules. We invite fresh quotations from the relevant service providers which are negotiated separately in relation to each spot contract. Accordingly, our transportation costs may vary and are based on rates that are offered to us from time to time. During the COVID-19 pandemic, the water and road transportation services were not easily available which led to delays in deliveries. Further, there were instances where the time taken for delivery was more than the time it would have otherwise taken. Our business is also vulnerable to increased transportation costs or delivery delays due to various factors, including increase in fuel costs, freight rates, increase in port, road and toll taxes, shipping congestions, damage or losses of goods in transit, disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in waterways and road infrastructure, currency fluctuations, changes in tariff or import policies, political uncertainty or other similar events.

In the past, there has been one instance where we faced shortage of imported raw material. During September 16, 2022 to mid of October 10, 2022 we have faced a shortage of imported raw materials due to delay in delivery of imported raw material. We may face similar shortage in future.

We may face transportation risks including damage or losses of goods in transit, delay in deliveries to our customers etc. due to loss or pilferage, which we may not be able to fully recover from our service provider or from our insurance coverage. Further, while we adjust freight costs in the cost of products sold to our customers, we bear transportation risk for the duration of transit. In addition, we may be required to replace a service provider if its services do not meet our safety, quality or performance standards or the partner's noncompliance with applicable laws or if it should unexpectedly discontinue operations due to reasons beyond its or our control. Any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or inability to deliver our products to our customers, or may require us to look for alternative means of transportation which may not be cost or time efficient, thereby adversely affecting our operations, profitability, reputation and market position.

Our operations and profitability are dependent upon the availability of reliable logistic and support services in a timely and cost-efficient manner and any disruption in these services including transportation services or increase in their cost may affect our business, financial condition and results of operations.

9. *Our Promoters, Promoter Group, Directors and Key Managerial Personnel of our Company may enter into ventures that may lead to real or potential conflicts of interest with our business which in turn may materially adversely impact our business, financial condition, results of operations and cash flows.*

Some of our Promoter Group entities are involved in a similar line of business which may have a potential conflict of interest with our business considerations or otherwise. Further, our Promoters, Promoter Group, Directors and Key Managerial Personnel of our Company, may enter into ventures that may potentially compete with us. Interests of such persons may conflict with the interests of our Company and they may, for business considerations or otherwise, cause us to take actions, or refrain from taking actions, in order to benefit themselves, which may conflict with the best interests of our Company or that of our other Shareholders, which in turn may materially adversely impact our business, financial condition, results of operations and cash flows.

10. *Our relationship with our agents / distributors is critical to our business. If we are unable to maintain successful relationships with our agents / distributors, our business, results of operations and financial condition may be adversely affected.*

As on July 31, 2022, we have around 20 agents / distributors in more than 15 countries including such as Bangladesh, Srilanka, USA, Japan, Germany, Turkey, Thailand etc. We rely significantly on our agents/ distributors to sell our products and we expect that sales through such agents/ distributors will continue to account for a significant percentage of our revenues. Our agents/ distributors market and distribute our products to various end users in India and abroad.

Our agents/ distributors may discontinue their association without any notice and with little or no penalty. Further, new distributors would require extensive training in relation to the sale of our goods which would entail a substantial period of time to achieve the desired level of sales. The loss of a considerable number of agents/ distributors and the inability to replace them or the failure to add new agents/ distributors could materially and adversely affect our results of operations and cash flows and also the pricing of the products offered by us which may in turn materially and adversely affect our business prospects, financial condition, results of operations and cash flows. It is also possible that, from time to time, our distributors may violate the terms of our arrangements, such as the pricing terms, and hence we may need to sever ties with certain of our distributors. We have in the past may also in the future, become aware of fraud and financial irregularities on behalf of our distributors which may have legal or financial implications for us.

11. *Inability to innovate or failure to adapt to changes in our industry may adversely affect our business, financial condition, cash flows and results of operations.*

We are constantly innovating and adapting and believe that our future success will depend on our ability to adapt and innovate. We believe that to attract new customers and increase revenue from our existing customers, we will need to enhance and improve our current products on an ongoing basis and introduce new products based on continuing changes in technology, industry standards and client preferences. Due to the inherent limitations in such a process, the new products that we seek to develop may not be

introduced in a timely or cost-effective manner and may contain errors or defects. We have experienced delays in our internally planned introduction of new products in the past and there can be no assurance that the products we seek to introduce in the future, will be released according to schedule. We currently considerably depend on technology and may also invest in various technologies that we believe will enhance our production process and enable us to introduce new products. However, we may not be able to integrate some technologies successfully or achieve the expected benefits of such technologies. If we are unable to integrate new technologies to the current technology, the products manufactured by us may not meet the needs of our existing or potential customers in a timely and effective manner, or if a customer is not satisfied with the standard of our products, we could incur additional costs to address the situation and our business, results of operations and financial performance could be adversely affected. An inability to recognise and incorporate evolving technology for the improvement of our products, whether due to technology capability or capital constraints could also have a significant adverse impact on our business and competitive advantage.

12. *Any failure in our quality control processes may have an adverse effect on our business, results of operations and financial condition.*

Our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from the design or manufacture of the product or raw materials used in the product. We have implemented quality control processes and regularly conduct inspections of raw materials sourced from suppliers and finished products manufactured by us on the basis of our internal quality standards. However, we cannot assure you that our quality control processes will not fail or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, human error or otherwise, may damage our products and result in deficient products. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs in defending such claims.

13. *Any delays and/or defaults in customer payments could result in increase of working capital investment and/or reduction of our Company's profits, thereby affecting our operation and financial condition.*

We are exposed to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition. For the four-month period ended July 31, 2022 and the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020 our trade receivables were ₹ 1043.11 Lakhs, ₹ 1197.21 Lakhs, ₹ 722.38 Lakhs and ₹ 846.83 Lakhs, respectively which is 21.79%, 8.76%, 6.36% and 7.51% of our revenue from manufactured goods.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfill their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

14. *Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.*

Our business requires a significant amount of working capital for our day-to-day operations before payment is received from our customers. Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. Our working capital days

for the four-month period ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020 were 150 days, 143 days, 123 days and 114 days, respectively. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our customers to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims. We may also have a higher inventory level at our facilities due to various factors such as, delay in deliveries to the customers, natural disasters, pandemic, government-imposed restrictions, etc.

All of these factors may result, in increase in the amounts of receivables, inventory and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

15. *Current locations of our stores at which our products are sold may become unattractive, and suitable new locations may not be available at acceptable terms, if at all.*

The success of sales from our MBOs and wholesale stores at which our products are sold depends in part on their location. We aim to make our products available and our MBOs and wholesale store is in strategic locations and in high-density cluster areas. We cannot assure you that the current locations of our MBOs and wholesale store at which our products are sold will continue to be attractive or profitable as demographic patterns change. Adverse economic conditions in such areas could result in us having reduced sales in the future.

16. *We may not be able to successfully execute our expansion strategy of strengthening our sales network by opening new multi-brand outlet, in a timely manner, if at all, which could adversely impact our growth strategy and consequently our results of operations.*

If we are unable to successfully execute our expansion strategy of opening and operating our proposed retail outlet in Chennai, our business, results of operations and financial condition may be materially and adversely affected. There can be no assurance that such sales cannibalisation will not inadvertently occur or become more significant in the future as we gradually increase our presence in existing markets over time to maximise our competitive position and financial performance in each market. Further, if we are unable to manage our growth, our business and results of operations could be adversely affected.

We have not entered into any definitive agreements to utilise the Net Proceeds of the Offer. In particular, we have not placed orders for purchase of machines and equipments and for the stores we plan to set up. We have relied on third party quotations to calculate the expected amount of the Net Proceeds to be spent on machines and past estimates to determine cost of setting up stores. We cannot confirm when we will place our orders and whether we will be able to purchase the machinery and hoardings at the same price at which we obtained the quotations or set up stores at the estimated cost. Consequently, these estimates may be inaccurate and we may require additional funds to implement the objects of the Offer.

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

We have foreign currency payables for procurement of certain raw materials and costs incurred during our export sales business operations and from our receivables, and other payables, and are therefore exposed to foreign exchange risk between the Indian Rupee and U.S. dollars. Any significant fluctuation in the value of the Indian Rupee against such currencies may adversely affect our results of operations. As of July 31, 2022, all our foreign currency exposure were hedged. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and

our inability may harm our results of operations and cause our results to fluctuate and/or decline. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows.

18. *Our Company has incurred loss in past due to restated adjustments, which may adversely impact the value of the Equity Shares.*

As per the Restated Financial Statements, we have incurred loss of ₹ 517.66 Lakh in the Financial Year 2019-20 as against profit of ₹ 117.31 Lakhs in our Audited Financial Statement. The loss of ₹ 517.66 Lakhs is on account of certain adjustments to the Audited Financial Statements, as prescribed. Our ability to operate profitably depends upon number of factors, some of which are beyond our direct control. For further information, see the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 208 of this Draft Prospectus. If we incur losses in future, our business and the value of the Equity.

19. *If there is any under-utilization of our capacities, the capacity of the production plant will not be fully utilized, which could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.*

We have capacity to increase our product portfolio and may enter more geographical areas based on our estimates of market demand and profitability. In the event of non-materialization of our estimates and expected order flow for our existing and / or future products and / or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our consolidated financial performance.

20. *We have incurred significant capital expenditure in the past and will continue to incur significant capital expenditure in the future, and such expenditure may not yield the benefits we anticipate.*

For the four-month period ended July 31, 2022 and for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 we incurred fixed assets cost of ₹24.29 Lakhs, 78.47 Lakhs, 137.87 Lakhs and 39.55 Lakhs respectively, primarily for building, plant and machinery and furniture and equipments. The capital expenditure was mainly incurred for increasing capacity, debottlenecking and maintaining capital expenditure. We may incur further significant capital expenditure in the future. We cannot assure that we will be able to get the benefits of the generally growing demand in the textile sector and accordingly the benefits accruing to us from the planned capacity expansion may be less than what is anticipated.

21. *We have had negative cash flows in the past and it is possible that we may experience negative cash flows in the future.*

The table below sets forth selected information from our statements of cash flows in the periods indicated below.

(₹ in Lakhs)

Particulars	Four-month period ended July 31, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Net cash flows generated from/(used in) operating activities	105.89	352.66	1040.84	836.93
Net cash flows generated from/(used in) investing activities	(36.02)	(144.89)	(58.07)	22.53
Net cash flows generated from/ (used in) financing activities	(62.82)	(102.80)	(1032.18)	(847.20)
Net increase/ (decrease) in cash and cash equivalents	7.05	104.97	(49.40)	12.25

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from

external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

22. *We are subject to a number of markets, business, financial, legal and regulatory risks and uncertainties with respect to our international sales that could have a material impact on our business, financial condition or results of operations.*

Revenue generated from exports represented around 39.03% of our revenue for a period of four months ended on July 31, 2022 and 47.35%, 31.21% and 34.67% of our revenue from operations in Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, respectively. An important part of our strategy is to continue pursuing growth opportunities and market share outside of India by expanding global presence. Our international sales are subject to a number of markets, business and financial risks and uncertainties, including those related to our use of distribution partners, geopolitical and economic instability, natural calamities, civil disruptions, foreign currency exchange and interest rate fluctuations, competitive product offerings, local product preferences and requirements and longer accounts receivable cycles. These factors may cause us to experience more uncertainty, risk, expense and delay in commercializing products in certain foreign jurisdictions, which could affect our ability to sale our products in those jurisdictions and adversely impact our sales, market share and operating profits from our international operations. In addition, our international operations are subject to other established and developing legal and regulatory requirements, including with respect to foreign import and export controls and licensing requirements, trade protection and embargo measures and customs laws. Changes or uncertainty in international trade policies or tariffs could impact our global operations, as well as our customers. We may be required to incur additional costs to manufacture and distribute certain of our products. This could adversely impact our business and results of operations.

Any alleged or actual failure to comply with legal and regulatory requirements may subject us to government scrutiny, civil and/or criminal proceedings, sanctions and other liabilities, which may have a material adverse effect on our international operations, financial condition, results of operations and/or liquidity. In addition, our ability to sell to certain foreign customers depends on the various certifications and reports that we obtained from different agencies based upon the tests and inspections carried-out at our Manufacturing Facilities. For further information, see the chapter titled “***Government and Other Approvals***” beginning on page 223 of this Draft Prospectus. In the event we are unable to renew or maintain these certifications, it may adversely impact our ability to sell our products to our foreign customers. Such risks and uncertainties may adversely impact our ability to implement our growth strategy in foreign markets and, as a result, our sales growth, market share and operating profits from our international sales may be adversely affected.

23. *Our top ten customers of the Manufacturing verticals contributed 47.35%, 40.11%, 27.30% and 76.65% of our revenues from manufactured goods for the period ended July 31, 2022 and year ended March 31, 2022, March 31, 2021 and March 31, 2020. Any loss of business from one or more of them may adversely affect our revenues and profitability*

Our top ten customers of the Manufacturing verticals contributed 47.35%, 40.11%, 27.30% and 76.65% of our revenues from manufactured goods for the period ended July 31, 2022 and year ended March 31, 2022, March 31, 2021 and March 31, 2020. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. We believe we have maintained good relationships with our customers. Also, any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

24. *Unsecured Loans availed by our Company can be recalled by the lenders at any time.*

Based on restated financial statement, our Company has unsecured loans as at July 31, 2022 amounting to ₹ 126.09 Lakhs from our Promoter which is repayable on demand to relevant lenders. These unsecured loans may re-called at any time by these parties. In the event these loans are required to be re-paid on a short notice, our Company may have to arrange additional fund which may impact our Financials. For

further details in relation to the unsecured loans of our Company, please refer to chapter titled ***“Financial Statements”*** and ***“Financial Indebtedness”*** on page 178 and 215 respectively of the Draft Prospectus.

25. ***If we are subject to any frauds, theft, or embezzlement by our employees, suppliers, contractors or distributors, it could adversely affect our reputation, results of operations, financial condition and cash flows.***

Our operations may be subject to inventory loss on account of fraud, theft, or embezzlement by employee/ contractor/ distributor/ vendor. Although we have set up various security measures in our manufacturing facility such as deployment of security guards and operational processes such as periodic stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future, which could adversely affect our reputation, results of operations, financial condition, and cash flows.

26. ***This Draft Prospectus does not contain details of one of our Promoter Group.***

Our Promoter i.e. Anandan Ilavarasu is estranged from his sibling A Arunmoli and there are ongoing litigation between our Promoter and A. Arunmoli. Accordingly, details pertaining to the said sibling and entities under his control has not been disclosed in the Draft Prospectus. We have relied on the affidavit furnished by Anandan Ilavarasu. see ***“Our Promoter and Promoter Group”*** on page 170 of this Draft Prospectus.

27. ***Certain of our corporate records relating to changes in the share capital of our Company by way of allotments of Equity Shares do not specify the nature of allotment made and certain records are not traceable. We cannot assure you 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.***

In past, our Company has made allotments of Equity Shares in the past by way of preferential allotments. However, details pertaining to few preferential allotments made in past are not available. In addition, we have been unable to locate allotment form, share transfer forms or depository instruction slips, as applicable, for various transfers involving our Promoters and members of our Promoter Group.

Further, online filing of RoC Documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence some of these forms could not be retrieved from Ministry of Corporate affairs (MCA) portal. Therefore, we may face challenges in establishing the nature of such allotments made by our Company. Accordingly, we have relied on other documents, including annual returns filed by our Company, register of members, share transfer registers, beneficial holding statements, minutes of meetings of our Board of Directors, statement of transactions and holdings, physical search report, certificate from the Statutory Auditor and certifications obtained from the respective Promoters and members of our Promoter Group. For further details of these transfers, the allotments made by our Company in the past, and the share capital history of our Company, see ***“Capital Structure”*** on page 70. We cannot assure you that such untraceable corporate records and documents will be available with us in future. As such under the circumstances elaborated above, our Company cannot assure you that the filings were made in a timely manner, that the issue has complied with all regulatory requirements or the information gathered through other available documents of the Company are correct. Further, we cannot assure you that regulatory proceedings or actions will not be initiated against us in the future by RoC, RBI and any other regulatory and we will not be subject to any penalty imposed by the competent regulatory authority in this regard

28. ***The global scope of our operations exposes us to risks of doing business in foreign countries, including the constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate, which could adversely affect our business, financial condition and results of operations.***

Our revenues from exports were ₹ 2196.41 Lakhs, ₹ 7827.40 Lakhs, ₹4325.64 Lakhs and ₹ 4703.52 Lakhs and represented 39.03%, 47.35%, 31.21% and 34.67%, respectively, of our total revenue from operations, for the four-month period ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, respectively. We intend to increase our global footprint and augment our sales in existing geographies.

Consequently, our business is accordingly subject to diverse and dynamic economic, regulatory, social and political conditions in the jurisdictions in which we operate. Operating in international markets exposes us to a number of risks globally, including, without limitation:

- compliance with local laws and regulations (including imposition of non-tariff barriers), which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial;
- difficulties with local operating and market conditions, particularly regarding customs and taxation;
- currency exchange rate fluctuations; and
- economic and financial conditions, including the stability of credit markets, foreign currency fluctuations and controls, particularly the ability to repatriate funds to India and other countries.

To the extent that our operations are affected by unexpected and adverse economic, regulatory and social and political conditions in the countries in which we operate, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could materially and adversely affect our business, financial condition and results of operations.

29. ***We are heavily dependent on technology in carrying out our business activities and it forms an integral part of our business. If we face failure of our information technology systems, we may not be able to compete effectively which may result in lower revenue, higher costs and would adversely affect our business and results of operations.***

Our continued growth depends on the ability and performance of our existing technology that is utilized and will be utilized in the production of our products. Further, our Company also has an integrated system which integrates and collates data of purchase, sales, reporting, accounting, stocks, etc. Our Company also employs the use of data driven decision making in the production process. We may in the future experience disruptions, outages and other performance problems with our infrastructure due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, distributed denial-of-service attacks or other security-related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems immediately or in short order. We may not be able to maintain the level of production if there is an interruption or outage in the technology that we currently employ. Frequent or persistent interruptions in the production process could cause customers to believe that our products are unreliable, leading them to switch to our competitors or to otherwise avoid our products. This could negatively impact market acceptance of our business and our financial condition, and results of operations could be adversely affected.

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

Textiles industry being labour intensive is dependent on labour force for carrying out its manufacturing operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Though we have not experienced any major disruptions in our business operations due to labour disputes or other problems with our work force in the past; however, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

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

our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

31. *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 four months ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, our power and fuel expenses were 4.65%, 5.15%, 4.32%, and 4.60% respectively of our total expenses. We source the power requirements for our manufacturing facility mainly from state electricity boards, captive Power user arrangement, Indian Energy Exchange (IEX) and own Windmill. 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. 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.

32. *The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.*

We compete in textiles industry on the basis of the quality of our products, price, and customer satisfaction. The industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our products, availability of raw materials and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian textiles industry as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets.

Further, the Indian apparel industry in India is competitive, with several regional brands and unorganized retailers present in local markets across the country. Our products compete with local retailers, non-branded products, economy brands and products of other established brands. In the future, some of our competitors may develop alliances to compete against us, acquire greater resources, market presence and geographic reach, as well as develop products with better brand recognition than ours. Some of our competitors may be able to procure raw materials or finished products at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or sell their products at more competitive prices.

We also compete with online retailers. Over the last few years, India has witnessed the emergence and growth of the e-commerce industry, and the market penetration of online retail in India is likely to continue to increase. However, we do not have any online presence for our retail and wholesale sales. Additionally, third party online marketplaces may sell multiple brands of Indian apparels and of that brands that we sell through our retail stores, possibly including similar products at discounted prices, enhancing customers' comparisons of products and prices. We cannot assure you that customers of online retailers will continue to prefer us over our competitors. While we believe that our customers are attracted by our in-store experience and that we cater to the lower segment of the economy where e-commerce is not so prevalent, our customers may prefer other products sold by third party online marketplaces over our products. If the number of customers, that choose other products sold by third party online marketplaces instead of our products, increases substantially, our business and overall results of operations may be adversely affected.

Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors, or that our business and results of operations will not be adversely

affected by increased competition in the offline and online channels. Our competitors may significantly increase their advertisement expenses to promote their brands and products, which may require us to similarly increase our advertising, publicity and sales promotion expenses and engage in effective pricing strategies, which may have an adverse effect on our business and results of operations.

Our failure to compete effectively, including any delay in responding to changes in the industry and market, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

33. ***Orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations. Further any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on cash flows, results of operations and financial condition.***

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. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers discretion or delay in procurement of raw material 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 customers may default or otherwise fail to pay amounts owed.

In the ordinary course of business, we extend credit to our customers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of the outstanding amounts. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

34. ***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 (fire and shock). 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.

35. ***We require certain approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.***

We are governed by various laws and regulations for our business and operations. We are required, to obtain and hold relevant licenses, approvals and permits at the local, state and central government levels for doing our business.

While we believe that we have obtained all necessary and material approvals, licenses, registrations and permits from the relevant authorities, they may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business.

We have not obtained shops and establishment certificate for our Post Spinning Process Facilities, certain godowns where we store our raw materials and inventories. However, we intend to obtain the same. Further, few of our approvals are in the process of being renewed. Any failure to apply for and obtain the required approvals, licences, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licences, registrations and permits would result in a delay in our business operations which could otherwise adversely affect our financial condition, results of operations and prospects of the Company. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business and results of operations. For further details see section titled on “**Government and Other Approvals**” beginning on page 223 of this Draft Prospectus.

36. *Our Company has contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.*

As of July 31, 2022, our contingent liabilities as disclosed in the notes to our Restated Financial Information aggregated to ₹ 1701.16 Lakhs. The details of our contingent liabilities for the four-month period ended July 31, 2022 and the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020 are as follows:

(₹ in Lakhs)

Particulars	Four-month period ended July 31, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Estimated obligation on account exports if corresponding EPCG Licence Duty obligation is not satisfied.	981.35	981.35	969.65	969.65
Invoices Bill Discounting – Foreign	719.81	817.82	144.29	487.25
Total	1701.16	1799.18	1113.95	1456.91

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, cash flows, financial condition and results of operations. For further details, please see to the section “**Restated Financial Statements**” on page 178 of this Draft Prospectus.

37. *Our inability to fulfil our export obligation under the EPCG scheme could subject us to payment of customs duties together with interest thereby adversely impacting our financial condition.*

Our Company has obtained advance licenses under the Export Promotion Capital Goods (“EPCG”) scheme, which enables us for duty free import of inputs required for manufacturing of our export bound products. Such benefits are subject to fulfillment of time bound export obligations as may be specified. As per the licensing requirement under the said schemes, we are required to export goods of a defined amount, failing which, we may have to pay the Government, a sum equivalent to the duty benefit enjoyed by us under the said schemes along with interest. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business, results of operations and financial condition.

38. *Our Statutory Auditor has drawn attention to qualitative matters in their reports on the audited special purposes financial statements.*

Our Statutory Auditor has drawn attention that there were no qualifications in the Special Audit Reports issued by them for the period ended July 31, 2022 and by then the Statutory Auditors as at and for the years ended on March 31, 2022, March 31, 2021 and March 31, 2020 except to their reference to non-provision of gratuity liability.

39. *We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. Our agreements with lenders for financial arrangements contain restrictive covenants for certain activities*

and if we are unable to get their approval, it might restrict our scope of activities and impede our growth plans.

We have entered into agreements with certain banks for short-term and long-term borrowings. As on July 31, 2022, we had total outstanding borrowings of ₹ 5399.41 Lakhs against the sanctioned limit of ₹ 7270.00 Lakhs. In addition to the indebtedness for the existing operations of our Company, we may incur further indebtedness during the course of our business and in order to expand the production capacity. We cannot assure you that our Company will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Our arrangement with our lenders contain restrictive covenants, including requirements that we obtain consent from the lenders prior to undertaking certain matters including altering our capital structure, change in shareholding, not approaching the capital markets for mobilizing additional resources either in the form of debt or equity, changing the management, dilution of Promoters' shareholding and undertaking any new project, implementing any scheme of expansion/diversification or capital expenditure or acquiring fixed assets (except normal replacements) if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Any fluctuations in the interest rates may directly impact the interest costs of such loans. Our ability to make payments on and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. While there have been no instances in the past where the Company have availed any moratoriums for payment or settlement, we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest. For details of these covenants, see the chapter titled "***Financial Indebtedness***" beginning on page 215 of this Draft Prospectus.

40. Our lenders have charge over our movable properties in respect of finance availed by us.

We have secured our lenders by creating a charge over our movable properties in respect of loans / facilities availed by us from banks and financial institutions.

In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations.

41. Any downgrading of our credit rating by a domestic or international credit rating agency may increase interest rates for our future borrowings, which would increase our cost of borrowings, and adversely affect our ability to borrow on a competitive basis.

Our current credit ratings have been assigned by India Ratings & Research who have assigned IND BB+ / Stable to our Term Loan, IND BB+/Stable/IND A4+ to our fund-based working capital limits and IND A4+ to our non-fund based working capital limits. Our credit rating may be downgraded in the future due to various factors, including factors which may be outside our control. Any future downgrade of our credit ratings may increase interest rates for refinancing our borrowings, which would increase our cost of borrowings, and may have an adverse effect on our future issuances of debt and our ability to borrow on a competitive basis. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of repayment of certain of our borrowings. If any of these risks materialise, it could have a material adverse effect on our business, reputation, results of operations and financial condition

42. Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, financial condition and cash flows.

Due to nature of our business, we are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to variety of substances which may be hazardous and other aspects of our manufacturing operations.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, maternity leave, hiring and termination of employees and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. If we are unable to remain in compliance with all applicable environmental, health and safety and labour laws, our business, results of operations and financial condition may be adversely affected.

Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable, and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.


43. *Some of the approvals are required to be updated consequent to the change in the name of our Company.*

The name of our Company has been changed from S.A. Aanandan Spinning Mills Private Limited to S.A. Aanandan Spinning Mill Limited upon conversion of our Company into public limited vide special resolution passed by our Shareholders at their EGM held on May 02, 2022. Further it also changed its name from S.A. Aanandan Spinning Mill Limited to S.A. Aanandan Mill Limited vide resolution passed by our shareholders at their EGM held on June 20, 2022. Due to such change, our Company is required to change its name in all approvals, licenses, registrations and permits from S.A. Aanandan Spinning Mills Private Limited to S.A. Aanandan Mill Limited. While we have updated our name in some of the registrations, permits or approvals, we are still required to update our name in some of the remaining registrations, permits or approvals.

44. *Cotton is a highly flammable commodity. Any fire, or such mishaps or accidents at the Company's facilities could lead to property damages, property loss and accident claims.*

Cotton being a highly flammable commodity, every stage from procurement, processing, storage and transportation to trading is fraught with an imminent danger of an instant fire. The risk of fire hazard is increased due to increased automation and use of large volume of air for material handling. Blow room and carding area are more prone to such hazard. Any spark generated at these places can not only generate fire but also the same could propagate to other machines through cotton conveying. Though we have taken insurance policy to cover damage caused by fire however, the cover may not be adequate to the loss suffered.

45. *If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected, it could have a material adverse effect on our business, results of operations and financial condition.*

We have applied for trademark registrations in name and logo 'Government and Other Approvals – Intellectual Property Rights" on page 223 of this Draft Prospectus. There can be no assurance that our Company will be granted the trademark applied for, in a timely manner, or at all. Failure to obtain timely registration may adversely

impact our ability to defend any infringement of our intellectual property since we will only be able to initiate passing-off action (which is more onerous to prosecute) which may not provide sufficient protection. For further details, please refer to the chapter “***Our Business – Intellectual Property Rights***” on page 118 of this Draft Prospectus.

Moreover, the use of our brand name or logo by third parties could adversely affect our reputation and business, which could in turn adversely affect our financial performance and the market price of the Equity Shares. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe our rights, which may have an adverse effect on our business and results of operations.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our product offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could result in costly litigation, divert management’s attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain product offerings. Any of the foregoing could adversely affect our business, results of operations, cash flows and financial condition.

- 46. *The raw materials and the finished products stored at our factory premises, warehouses may be subject to distortion and colour fading due to lapse of time. Improper storage, processing and handling of raw materials and finished products may cause damage to our inventory leading to an adverse effect on our business, results of operations and cash flows.***

The raw materials and the finished products are stored at the warehouse located in our Manufacturing Facility. Cotton is subject to change in colour simply through their own natural aging process. In case the raw materials remained unused or the finished products remained unsold for a period of time, they may fade their colour which may render them useless or reduce their usefulness. In case of any such incidence, we may be required to either scrap the said product or we may not be able to realize proper price of the said products which could have an adverse effect on the profitability and production schedule of the Company.

Our raw materials, manufacturing processes and finished products are susceptible to pilferages, damages and manufacturing defects, if not appropriately stored, handled and processed, which may affect the quality of the finished product. In the event such a contamination is detected at the facility during quality checks, we may be required to repair the machines and discard the batches resulting in a temporary suspension of manufacturing activities and lower capacity utilizations, which could materially and adversely affect our business, financial condition, results of operations, or cash flows. Improper storage may also result in higher than usual spoilage of inventory, which may also require us to incur additional expenses in replacing that portion of the inventory and/ or incur additional expenses in maintenance and improvement of our storage infrastructure, which may adversely affect our profit margins.

- 47. *Our success largely depends upon the knowledge and experience of our Key Managerial Personnel. Loss of any of such Key Managerial Personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.***

The growth and success of our Company’s future significantly depends upon the experience and continued services and the management skills of our Promoter, Director and Key Managerial Personnel and the guidance of our Promoters and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. We believe the expertise, experience and continued efforts of our Promoter, Director and Key Managerial Personnel and their inputs are valuable for the operations of our Company. Our future success and growth depend largely on our ability to attract, motivate and retain the continued service of our highly skilled management personnel. Any attrition of such experienced Key Managerial Personnel, would adversely impact our growth strategy.

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

We rely on the skills, expertise and experience of our employees to provide quality services to our customers. Our employees may terminate their employment with us prematurely and we may not be

able to retain them. Experienced and skilled workers in the textile industry are highly sought after, and competition for talent is intense. If we experience any failure to attract and retain competent personnel or any material increase in labour costs as a result of the shortage of skilled labour, our competitiveness and business would be damaged, thereby adversely affecting our financial condition and operating results.

Further, if we fail to identify suitable replacements of our departed staff, our business and operation could be adversely affected and our future growth and expansions may be inhibited.

49. *Changes in technology may render our current technologies obsolete, which may require us to make substantial capital investments.*

Modernization and technology upgradation are essential to provide better services to customers. 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.

Our failure or inability to incorporate any change in technology might place our competitors at an advantage in terms of costs, efficiency and timely delivery of the final products.

50. *We do not own the certain premises which we use for the purpose of our business operations.*

We do not own the certain premises which we use for the purpose of our business operations. These premises are taken on lease by us from third parties for a certain period. As per the leave & license agreements, non-payment or default in payment of rentals or violation of any term of rent agreement may require us to vacate the said premises which may cause disruption in our corporate affairs and business and impede our effective operations and thus adversely affect our profit ability. Further, our Company has not entered into formal agreement for depot situated at Kolkata. We also cannot assure that lessor will not terminate the rental agreement prior to expiry or at the time of expiry of the agreement, which would require us to locate to another premise and may have an adverse effect on conducting our business operations. For further details regarding the premises, please refer to chapter “*Our Business*” on page 118 of this Draft Prospectus.

51. *We are dependent upon the growth prospects of the Cotton fabric industry, where finished products such as apparels are made by using our products.*

Our Company broadly falls under the textile industry of which we undertake the manufacturing of yarns. Cotton yarns face competition from synthetic yarns which are substitutes of our products. Our products are used generally in the apparel and garments industry and thus cater to the requirements of the textile industry at large, thus any slowdown in the growth rate or downward trend in any of these industries directly or indirectly impact our own growth prospects and may result in decline in profits and turnover of sales.

52. *Our Promoters, Directors and KMPs may have interest in our Company, other than reimbursement of expenses incurred or remuneration.*

Our Promoters, Directors and KMPs may be deemed to be interested to the extent of the Equity Shares held by them or their relatives or in our Company. Our Company has also entered into a lease deed dated April 01, 2019, with lessor Anandan Ilavarasu. For further details, see the chapters titled “*Our Management*”, “*Our Promoter and Promoter Group*” and “*Our Group Companies*”, beginning on pages 152, 170 and 174 respectively of this Draft Prospectus and “*Restated Financial Statements – Annexure G (Related Parties Disclosures)*” on page 178 of this Draft Prospectus.

53. *If we are unable to attract new customers, retain customers at existing levels or sell additional products to our existing customers, our revenue growth will be adversely affected.*

To continue to grow our business, it is important that we continue to acquire new customers. Our success in adding new customers depends on numerous factors, including our ability to offer various value-added products, execute our sales and marketing strategy, attract, effectively train, and retain new sales, marketing, professional services, and support personnel, develop or expand relationships with distributors, expand into new geographies and verticals, effectively manage and forecast our customer count, and expand our use cases for our existing customers.

It is important for our continued growth that we retain our existing customers. Our customers have no long-term contracts or obligation to purchase our products at the same prices and terms or at all. Our customer retention may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our products, our prices, reduction in our customers' spending levels, availability of cheaper substitutes, etc. Our ability to increase revenue also depends in part on our ability to increase the number of value-added products to be offered to our existing and new customers.

54. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.*

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use.

No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

55. *Reliance has been placed on declarations furnished by our Directors, for details of his profile included in this Draft Prospectus*

Our Directors and Company Secretary has been unable to trace copies of certain documents pertaining to their experience. Accordingly, our Company and the Lead Manager have placed reliance on the declarations furnished by the directors and neither we, nor the Lead Managers have been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that they will be able to trace the relevant documents pertaining to their experience in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to their experience included in "***Our Management***" on page 152 of this Draft Prospectus is accurate.

56. *Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.*

Our products depend on customer's expectations and choice or demand of the customer and trends in the fashion industry. Any failure to maintain the quality standards of our products may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customers' quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations. Further, we have obtained certain quality certification from recognised agencies. Hence, deterioration in the process of quality may results in loss of such certificate.

57. *Our operations may be adversely affected in case of industrial accidents at our production facility.*

Usage of heavy machinery, handling of sharp parts of machinery by labour during production process or otherwise, lifting of heavy rolls of yarns by humans, short circuit of power supply for machines, etc. may result in accidents and fires, which could cause indirect injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Further, our plant and machinery and personnel may not be covered under adequate insurance for occurrence of particular types of accidents which could adversely hamper our cash flows and profitability.

58. *Our Promoter and Promoter Group will continue to retain majority shareholding in our Company after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.*

As on date of this Draft Prospectus, our Promoter and Promoter Group hold approximately 100.00% of the Equity Share Capital of our Company. Accordingly, our Promoter and Promoter Group will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our

certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoter and Promoter Group as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that the Promoter and Promoter Group will act to resolve any conflicts of interest in our favour.

59. *We have commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data provided in the same.*

We have exclusively commissioned and paid for an industry report titled “Industry Research Report on – Indian Textile Sector - August 2022” issued by “Care” for the purpose of confirming our understanding of the industry in connection with the Offer and for making disclosures which need to be made in the chapter titled “*Industry Overview*” of this Draft Prospectus. Certain sections of this Draft Prospectus include information based on, or derived from, the Care Report or extracts of the Care Report. All such information in this Draft Prospectus indicates the Care Report as its source. Accordingly, any information in this Draft Prospectus derived from, or based on, the Care Report should be read taking into consideration the foregoing. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Furthermore, the Care Report is not a recommendation to invest or disinvest in any company covered in the Care Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Prospectus based on, or derived from, the Care Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Prospectus based on, or derived from, the Care Report before making any investment decision regarding the Offer.

60. *Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.*

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. We provide services to our customers, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers’ dealings in or with countries or with persons that are the subject of U.S. sanctions

61. *There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our management and our Board of Directors, though it shall be monitored by the Audit Committee. The objects of the Offer for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.*

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above ₹ 10,000 Lakhs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue

proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

Our funding requirement set out in the chapter “**Objects of the Issue**” on page 83 of this Draft Prospectus including working capital requirement are based on management estimates and has not been appraised by any bank or financial institution. Our funding requirements are based on our current business plan and may vary based on various factors including macroeconomic changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilization of proceeds from the Issue may also change. This may also include re-scheduling the proposed utilization of Issue Proceeds at the discretion of our management. Moreover, we have also not entered into definitive agreements to utilise the proceeds from the Issue for certain objects of the Issue. We may make necessary changes to the utilization of Issue Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilization of the Issue Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

62. ***Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval, which may restrict our ability to respond to any change in our business or financial condition and thereby, may adversely affect our business and results of operations.***

Our Company intends to use Net Proceeds raised pursuant to the Issue in the manner set out in the chapter titled “**Objects of the Issue**” beginning on page 83 of this Draft Prospectus. In accordance with Section 27 of the Companies Act, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this Draft 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 undertake variation in the disclosed utilisation 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. In light of these factors, we may not be able to undertake variation of 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 by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

63. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

We have not declared any dividend during the current Fiscal and in the last three Fiscals. For further information, see the chapter titled “**Dividend Policy**” beginning on page 177 of this Draft Prospectus. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

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

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

65. ***We have entered into certain related party transactions and may continue to do so in the future.*** Our Company has entered into transactions with our Promoters, Directors, Group Companies and Promoter Group. While we believe that most of such transactions have been conducted at arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Such related party transactions may potentially involve conflicts of interest. Furthermore, it is likely that we enter into related party transactions in the future as well.

There can be no assurance that such transactions, individually or in aggregate, will always be in the best interests of our Shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition. For details on the transactions entered by us, see the chapter titled "***Restated Financial Statements***" beginning on page 178 of this Draft Prospectus.

66. ***Our individual Promoters have provided personal guarantees to certain loan facilities availed by us, repayment of amounts due or termination of the facilities.***

Our individual Promoters have provided personal guarantees in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative 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.

67. ***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 funds that we receive would be utilized for the objects of the Issue in the manner stated in the chapter titled "***Objects of the Issue***" beginning on page 83 of this Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our working capital limits and reschedule our loan repayment period resulting in unprecedented financial mismatch and this may affect our revenues and results of operations. Further, our Company has 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 can adversely affect our growth plan and profitability.

68. ***Information relating to the installed manufacturing capacity of our manufacturing facility included in this Draft Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the installed manufacturing capacity of our facility included in this Draft Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent cost accountant in the calculation of the installed manufacturing capacity of our manufacturing facility. For further information, see "***Our Business - Capacity and Capacity Utilization***" on page 118 of this Draft Prospectus.

Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other textile companies. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Draft Prospectus.

- 69. *If we are unable to anticipate and respond to changes in the industry trends, particularly in fashion, and changing customer preferences in a timely and effective manner, the demand of our products may decline, which may have an adverse effect on our business, results of operations, financial condition and prospects.***

We offer a wide variety of products to our retail and wholesale customers through retail stores and wholesale store. Our success depends upon our ability to forecast, anticipate and respond to the changing customer preferences and fashion trends in a timely manner which may include designing new products or modifying our existing products in line with such changing customer preferences and fashion trends. If we fail to identify and respond to such changing customer preferences or evolving fashion trends by suitably launching new products, evolving new designs and/or modifying our existing product line in a timely manner, we may lose or fail to attract our customers, be saddled with obsolete products, thereby increasing dead stock leading to a loss of our brand image amongst our customers, and may have to sell our inventory at a discount. This may have a material adverse effect on our business and results of operations.

In particular, the retail apparel business fluctuates according to changes in customer preferences dictated, in part, by fashion and season. To the extent, we misjudge the market for our products or unable to design new products or modify our existing products in line with changes in fashion trends, our sales may get adversely affected. New product development also involves designing, sampling and cost closure, which adds to these timelines. While we forecast trends and styles, our design to shelf leads times vary and thus there may be risk of the product going out of fashion by the time we hit the market for long lead time products. A decline in demand for our products, or a misjudgement on our part could, among other things, lead to lower sales, excess inventories and higher markdowns, each of which could have a material adverse effect on our brand, reputation, results of operations and financial condition.

- 70. *The success of our business and operations are dependent upon certain quality certifications which are valid for a limited time period. An inability to renew such certifications in a timely manner, or at all, may adversely affect our business and prospects.***

Our manufacturing facility is certified from most reputed global certification agencies and having certificates such as OEKO-TEX, Fair Trade Certificate, Cotton Made in Africa, Scope Certificate etc. For further information, see the chapter titled “***Government and other Approvals***” beginning on page 223 of this Draft Prospectus.

As a trend in international market, our international customers purchase products from manufacturers based upon their certifications granted by global certification agencies. If we fail to comply with the requirements for applicable certifications, or if we are otherwise unable to obtain or renew such certifications in the future, in a timely manner, or at all, we may fail to retain purchase orders from our international customers which may lead to loss of our business, financial condition and revenue. We may also incur significant costs to upgrade our facilities and manufacturing processes. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition and cash flows in addition to reputational damage.

- 71. *Current trends of discounting and price competition could lead to consumers getting habituated to price driven purchases and reduce the attraction of brands in the minds of consumers, impacting our business operations and profitability.***

Online retailing has increased substantially in the past few years and current trends of discounting and price competition could lead to consumers getting habituated to price driven purchases. Various companies offer a wide variety of products, including the products that we retail through our stores, on the internet at different price points. Online retailing has witnessed intense competition in India with deep discounts and regular promotions offered by several e-tailers. We may be unsuccessful in competing against present and future competitors, ranging from large and established companies to emerging start-ups, both Indian and large, multi-national, e-commerce companies operating in India. Our consumers may prefer purchasing such products from these online stores because of factors like heavy discounts and variety of products. This could adversely affect the sales at our retail stores and could have a material adverse effect on our business, financial condition and results of operations.

EXTERNAL RISK FACTORS

72. *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:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- 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;
- prevailing income conditions among Indian consumers and Indian corporations;
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID- 19 pandemic;
- 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 neighboring countries;
- occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- 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.

73. *A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.*

Indian law has restrictions that could delay, dissuade, or prevent a future takeover or change of control of our Company. An acquirer is defined under the Takeover Regulations as anyone who, directly or indirectly, acquires or agrees to acquire shares, voting rights, or control over a firm, whether acting alone or in collaboration with others. Although these measures have been drafted to safeguard the interests of investors and shareholders, they may also deter a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

74. *Any increase in regional hostilities between India and neighbouring countries, could adversely affect Indian economy and cause our business to suffer.*

India has from time-to-time experienced instances of social and civil unrest and hostilities with neighboring countries. Any escalation in regional tension and conflicts in the future could influence the Indian economy and have an adverse effect on our business, our future financial performance and the market for securities of Indian companies, including our equity shares.

75. *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. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. 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. 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.

Furthermore, economic developments globally can have a significant impact on India. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

76. *If inflation rises in India, increased costs may result in a decline in profits.*

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation relative to developed countries in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our consumers, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Furthermore, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

77. *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.

78. *Investors may have difficulty in enforcing foreign judgments against our Company or our management.*

Our Company is a limited liability company incorporated under the laws of India. All of our directors and executive officers are residents of India. All of our Company's assets are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons in India or to enforce judgments obtained against our Company or such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended ("Civil Procedure Code"). The United States has not been notified as a reciprocating territory.

In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record; such presumption may be displaced by proving want of jurisdiction. The Civil Procedure Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. A foreign judgment rendered by a superior court (as defined under the Civil Procedure Code) in any jurisdiction outside India which the Government of India has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with public policy in Indian. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

79. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.*

The Competition Act prohibits any anti competition agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India.

The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Any breach of the provisions of Competition Act, may attract substantial monetary penalties.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. Any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

80. *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.

81. *Changes or uncertainty in international trade policies or tariffs could disrupt our export sales outside India or negatively impact our financial results.*

Our export sales outside India expose us to number of risks related to trade protection laws, tariffs, excise or other border taxes on products exported to certain countries. Changes or uncertainty in international trade policies or tariffs could impact our global operations, as well as our customers. We

may be required to incur additional costs to manufacture and distribute certain of our products. This could adversely impact our business and results of operations.

Risks Relating to the Offer and the Equity Shares

82. *An investment in the Equity Shares is subject to general risk related to investments in Indian Companies.*

Our Company is incorporated in India and all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

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

The Issue Price of our Equity Shares will be determined before filing of Prospectus with RoC by our Company in consultation with Lead Manager. The price will be based on numerous factors (For further information, please refer chapter titled — “*Basis for Issue Price*” beginning on page 92 of this Draft Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

84. *Our Equity Shares have not been publicly traded prior to this Offer. After this Offer, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.*

Prior to this Offer, there has been no public market for our Equity Shares. An active trading market on the Stock Exchanges may not develop or be sustained after this Offer.

The trading price of our Equity Shares after this Offer may be subject to significant fluctuations in response to factors including general economic, political and social factors, developments in India's fiscal regime, variations in our operating results, volatility in Indian and global securities markets, developments in our business as well as our industry and market perception regarding investments in our business, changes in the estimates of our performance or recommendations by financial analysts, and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. The trading price of our Equity Shares may also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us and/or are unrelated to our business or operating results.

Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign

investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

- 85. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid, and are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after submitting an Application. Retail Individual Investors can revise their Application during the Offer Period and withdraw their Application until Offer Closing Date.

Therefore, QIBs and Non-Institutional Investors would not be able to withdraw or lower their Application, notwithstanding adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, or otherwise, at any stage after the submission of their Applications.

- 86. *You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, is subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of equity shares is exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares

- 87. *Any future issuance of Equity Shares by us may dilute your shareholding and sales of the equity shares by our Promoter, Promoter Group or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by us may dilute your shareholding in us. In addition, any sales of substantial amounts of the Equity Shares in the public market after the completion of the Issue, including by our Promoter or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could materially impair future ability of us to raise capital through offerings of the Equity Shares. Our Promoter and Promoter Group currently hold an aggregate of [●] % of the outstanding Equity Shares. After the completion of the Issue, our Promoters will continue to hold [●] % of the outstanding Equity Shares. We cannot predict the effect, if any, that the sale of the Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of the Equity Shares.

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

A public company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to 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 voting 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 our filing an offer 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. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

89. *There is no guarantee that our Equity Shares will be listed on the EMERGE platform of National Stock Exchange of India Limited in a timely manner or at all.*

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer.

In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the stock exchange within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

90. *The requirements of being a listed company may strain our resources.*

We are not a listed company and have historically not been subjected to the compliance requirements and increased scrutiny of our affairs by shareholders, regulators and the public at large associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations or cash flows as promptly as other listed companies.

Further, as a listed company, we will be required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

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

Our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading 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 the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

93. *There may be less information available about the Company in Indian securities markets than in securities markets in other more developed countries.*

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of markets in the United States and other more developed economies. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result, shareholders may have access to less information about our business, results of operations and financial condition than those of our competitors that are listed on the Stock Exchanges and other stock exchanges in India on an ongoing basis than shareholders may have in the case of companies subject to the reporting requirements of other more developed countries.

94. *Fluctuations in the exchange rate of the Rupee and other currencies could have a material adverse effect on the value of the Equity Shares, independent of our operating results.*

The Equity Shares are quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into appropriate foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders. The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

SECTION - III –INTRODUCTION

THE ISSUE

The following table summarizes the Issue details:

PARTICULARS	DETAILS OF EQUITY SHARES
Issue of Equity Shares by our Company	Upto 70,00,000 Equity Shares of face value of ₹ 10.00 /- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating upto ₹ [●] Lakhs
<i>Consisting of</i>	
Market Maker Reservation Portion	[●] Equity Shares of face value of ₹ 10.00 /- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs
Net Issue to The Public*	[●] Equity Shares of face value of ₹ 10.00 /- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs
<i>of which</i>	
(A) Retail Portion	[●] Equity Shares of face value of ₹ 10.00 /- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs i.e., 50% of the Net Issue shall be available for allocation Retail Individual Investors
(B) Non – Institutional Portion	[●] Equity Shares of face value of ₹ 10.00 /- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs i.e., 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors.
Pre-and Post-Issue Equity Shares	
Equity shares outstanding prior to the issue	1,63,30,028 Equity Shares of face value of ₹ 10.00 /- each
Equity shares outstanding after the issue	[●] Equity Shares of face value of ₹ 10.00 /- each
Use Of Issue Proceeds	For details, please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 83 of this Draft Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on October 01, 2022 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on December 12, 2022 pursuant to section 62(1)(c) of the Companies Act.

This Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, as amended. For further details, please refer to section titled “**Issue Structure**” beginning on page 247 of this Draft Prospectus.

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

a) Minimum fifty percent to retail individual investor; and

b) remaining to:

(i) individual applicants other than retail individual investors; and

(ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

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

SUMMARY OF FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Financial Statements. The summary financial information presented below should be read in conjunction with “***Restated Financial Statements***” and “***Management’s Discussion and Analysis of Financial Condition and Results of Operations***” beginning on pages 178 and 208 respectively of this Draft Prospectus.

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S.A.Aanandan Mill Ltd (Previously Known as S.A.Aanandan Spinning Mills Private Limited)					
RESTATED STATEMENT OF ASSETS AND LIABILITIES					
PARTICULARS	Annexure	AS AT			
		Jul-22	Mar-22	Mar-21	Mar-20
I. EQUITY AND LIABILITIES		Amount - Rs. lakhs			
(1) Shareholder's Funds					
(a) Share Capital	A1	977.85	977.85	977.85	977.85
(b) Reserves and Surplus	A2	1675.10	1312.51	202.44	-257.15
(c) Money received against share warrants					
(2) Share application money pending allotment					
(3) Non-Current Liabilities					
(a) Long-term borrowings	A3	1480.22	1612.93	1248.20	614.71
(c) Other Long term liabilities	A4	18.29	16.67	16.67	16.62
(d) Long term provisions	A5	22.52	16.38	-	-
(4) Current Liabilities					
(a) Short-term borrowings	A6	4045.28	3904.98	3918.20	4872.12
(b) Trade payables	A7				
(A) Total outstanding dues of micro enterprises and small enterprises;and					
(B) Total outstanding dues of Creditors other than micro enterprises and small enterprises		456.17	1253.39	918.84	1012.37
(c) Other current liabilities	A8	134.42	186.94	337.52	158.29
(d) Short-term provisions	A9	206.36	75.28	-	-
TOTAL		9016.20	9356.92	7619.72	7394.81
II.ASSETS					
(1) Non-current assets					
(a) Property,Plant & Equipments and Intangible Assets					
(i) Property,Plant & Equipments	A10	2340.47	2340.38	2298.58	2501.26
(ii) Intangible assets					
(iii) Capital work-in-progress					
(iv) Intangible assets under development					
(b) Non-current investments	A11	1.40	1.40	1.40	1.40
(c) Deferred tax assets (net)	A12	17.23	49.58	261.90	209.36
(d) Long term loans and advances	A13	39.61	24.21	-	-
(e) Other non-current assets	A14	127.36	124.80	85.99	71.79
(2) Current assets					
(a) Current investments		-	-	-	-
(b) Inventories	A15	4005.77	4261.94	3797.55	3352.67
(c) Trade receivables	A16	1043.11	1197.21	722.38	846.83
(d) Cash and cash equivalents	A17	198.06	191.01	86.04	135.45
(e) Short-term loans and advances	A18	867.10	710.21	221.89	245.16
(f) Other current assets	A19	376.09	456.19	143.98	30.91
TOTAL		9016.20	9356.92	7619.72	7394.81

Approved by the Audit Committee at its meeting held October 25, 2022 & by the Board of Directors at its meeting held on November 07, 2022

As per our Examination Report of even date attached.

For **S.A.Aanandan Mill Limited**

For **G R A N D M A R K & ASSOCIATES**
Chartered Accountants
Firm Reg. No: 011317N
PRC No: 012124

Sd/-
A. Ilavarasu
Chairman & Managing Director
DIN: 02443124

Sd/-
CA D Venkataramanan
Senior Partner
Membership No:204728

Sd/-
Mrs. I Sudha
Jt. Managing Director
DIN: 01816949

Place: Coimbatore
Date: November 07, 2022

Sd/-
P Govindaraj
Chief Financial Officer

UDIN: 22204728BCVCSK6592

Sd/-
Mrs. P Vijayalakshmi
Chief Executive Officer

Sd/-
Ms. Reet Phulwani
Company Secretary

S.A.Aanandan Mill Ltd (Previously Known as S.A.Aanandan Spinning Mills Private Limited) RESTATED STATEMENT OF PROFIT AND LOSS						
PARTICULARS	Annexure	Period Ended	Year Ended			
		Jul-22	Mar-22	Mar-21	Mar-20	
						Amount - Rs. in lakhs
I. Revenue from operations	B1	5627.59	16529.29	13860.59	13566.28	
II. Other Income	B2	90.25	187.80	22.05	20.29	
III. Total Revenue (I + II)		5717.85	16717.09	13882.64	13586.57	
IV. Expenses:						
Cost of materials consumed	B3	3186.52	11515.57	8925.79	8788.28	
Purchase of Stock-in-Trade		500.44	1438.51	1294.50	1412.59	
Changes in inventories of FG, WIP & Stock in Trade	B4	331.99	-1434.73	112.10	608.65	
Employee benefit expense	B5	282.62	1035.37	816.71	990.15	
Finance costs	B6	132.19	553.70	711.75	692.72	
Depreciation and amortization expense	B7	37.14	109.64	275.63	337.47	
Other expenses	B8	720.37	2016.42	1349.21	1398.53	
Total Expenses		5191.26	15234.49	13485.69	14228.39	
V. Profit before exceptional and extraordinary items and tax (III - IV)		526.59	1482.60	396.95	-641.83	
VI. Exceptional Items		-	-	10.10	27.99	
VII. Profit before extraordinary items and tax (V - VI)		526.59	1482.60	407.05	-613.84	
VIII. Extra Ordinary/Prior Period Items		-	-74.21	-	-	
IX. Profit before tax (VII - VIII)		526.59	1408.39	407.05	-613.84	
X. Tax expense:						
(1) Current tax		131.65	86.00			
(2) Deferred tax	B9	32.35	212.32	-52.54	-96.17	
XV. Profit/(Loss) for the period (XI + XIV)		362.59	1110.07	459.59	-517.67	
XVI. Earnings per share (of Rs.10/- each):						
(a) Basic		3.71	11.35	4.70	-5.29	
(b) Diluted		3.71	11.35	4.70	-5.29	
XVII. Earnings per share (excluding extraordinary items) (of Rs.10/- each):						
(a) Basic		3.71	12.11	4.70	-5.29	
(b) Diluted		3.71	12.11	4.70	-5.29	

Approved by the Audit Committee at its meeting held October 25, 2022 & by the Board of Directors at its meeting held on November 07, 2022

As per our Examination Report of even date attached.

For **G R A N D M A R K & ASSOCIATES**
Chartered Accountants
Firm Reg. No: 011317N
PRC No: 012124

Sd/-
CA D Venkataramanan
Senior Partner
Membership No:204728

Place: Coimbatore
Date: November 07, 2022

UDIN: 22204728BCVCSK6592

For **S.A.Aanandan Mill Limited**

Sd/-
A. Ilavarasu
Chairman & Managing Director
DIN: 02443124

Sd/-
Mrs. I Sudha
Jt. Managing Director
DIN: 01816949

Sd/-
P Govindaraj
Chief Financial Officer

Sd/-
Mrs. P Vijayalakshmi
Chief Executive Officer

Sd/-
Ms. Reet Phulwani
Company Secretary

S.A.Aanandan Mill Ltd
(Previously Known as S.A.Aanandan Spinning Mills Private Limited)
RESTATED CASHFLOW STATEMENT

S.No	Particulars	Period Ended	For the year ended			
		Jul-22	Mar-22	Mar-21	Mar-20	
A	CASH FLOWS FROM OPERATING ACTIVITIES					<i>Amount - Rs. in lakhs</i>
	Net Profit after Tax and Extra-ordinary items	362.59	1110.06	459.59	-517.66	
	Adjustments for Non-Operating items & Non-Cash items					
	Add :					
	Depreciation & Amortization	37.14	109.64	275.63	337.47	
	Finance Cost	132.19	553.70	711.75	692.72	
	Income Tax	131.65	86.00			
	Total	300.97	749.35	987.37	1030.19	
	Less :					
	Interest received on Deposits	-	2.07	4.78	7.63	
	Profit on sale of asset	1.21	4.49	10.10	27.99	
	Forex Gain	77.18	123.61	-	-	
	Total	78.39	130.17	14.88	35.62	
	Cash flow from operating activity before working capital changes	585.18	1729.24	1432.09	476.91	
	Adjustment for changes in Working Capital					
	Add:					
	Decrease in receivables	154.10	-	124.45	-	
	Increase in Short Term Provisions	131.09	75.28	-	-	
	Increase in Long Term Provision	6.13	16.38	-	-	
	Decrease in stock	256.17	-	-	615.95	
	Increase in Trade Creditors	-	334.55	-	515.53	
	Decrease in Short Term Loans and Advances	-	-	23.27	1.10	
	Decrease in Long term loans and advances	-	-	-	127.11	
	Decrease in Other Current Assets	80.10	-	-	-	
	Increase in Other long term liabilities	1.62	-	.05	-	
	Increase in Other Current Liabilities	-	-	179.23	-	
	Total	629.20	426.21	326.99	1259.69	
	Less:					
	Increase in Stock	-	464.38	444.88	-	
	Increase in Short term loans and advances	156.89	488.32	-	-	
	Increase in Long Term Loans and Advances	2.55	38.81	14.21	71.79	
	Increase in other Non Current Assets	797.22	-	93.52	-	
	Decrease in Trade Payables	-	474.82	-	288.58	
	Increase in Other Current Assests	-	312.20	113.07	19.43	
	Decrease in Long term provisions	-	-	-	-	
	Decrease in Other Current Liabilities	52.52	150.58	-	423.69	
	Total	1009.19	1929.11	665.69	803.49	
	Adjustments for Income Tax					
	Income Tax	-131.65	-86.00	-	-	
	Deferred Tax	-32.35	-212.32	52.54	96.17	
	CASH FLOW FROM OPERATING ACTIVITY	105.89	352.66	1040.84	836.93	
B	CASH FLOWS FROM INVESTING ACTIVITIES					
	Add :					
	Interest received on Deposits	-	2.07	4.78	7.63	
	Sale of Fixed Asset	3.93	4.49	15.63	39.21	
	Total	3.93	6.56	20.40	46.84	
	Less :					
	Increase in carrying amount of EB Deposit	-	-	-	-	
	Purchase of Fixed Asset	39.95	151.45	78.47	24.29	
	Investment made	-	-	-	.03	
	Total	39.95	151.45	78.47	24.32	
	CASH FLOWS FROM INVESTING ACTIVITIES	-36.02	-144.89	-58.07	22.53	

C	CASH FLOWS FROM FINANCE ACTIVITIES				
	Add :				
	Net proceeds from Short term borrowings	140.30	-	-	108.77
	Net proceeds from Long term borrowings	-	364.72	633.49	-
	Proceeds from issue of Share Capital	-	-	-	-
	Increase in Share application money pending allotment	-	-	-	-
	Decrease in long term loans and advances	-	-	-	-
	Recognition of Forex Gain	77.18	123.61	-	-
	Total	217.48	488.33	633.49	108.77
	Less :				
	Decrease in unsecured Loan	-	-	-	-
	Repayment of Long term Borrowings	132.71	-	-	263.25
	Finance Cost	132.19	553.70	711.75	692.72
	Repayment of short term borrowings	-	13.22	953.92	-
	Increase in long term loans and advances	15.40	24.21	-	-
	Total	280.30	591.13	1665.67	955.97
	CASH FLOWS FROM FINANCE ACTIVITIES	-62.82	-102.80	-1032.18	-847.20
	OPENING BALANCE OF CASH & CASH EQUIVALENTS	191.01	86.04	135.45	123.19
	NET INCREASE IN CASH & CASH EQUIVALENTS	7.05	104.97	-49.40	12.25
	CLOSING BALANCE OF CASH & CASH EQUIVALENTS	198.06	191.01	86.04	135.45

Approved by the Audit Committee at its meeting held October 25, 2022 & by the Board of Directors at its meeting held on November 07, 2022

As per our Examination Report of even date attached.

For **G R A N D M A R K & ASSOCIATES**
Chartered Accountants
Firm Reg. No: 011317N
PRC No: 012124

Sd/-
CA D Venkataramanan
Senior Partner
Membership No:204728

Place: Coimbatore
Date: November 07, 2022

UDIN: 22204728BCVCSK6592

For **S.A.Aanandan Mill Limited**

Sd/-
A. Ilavarasu
Chairman & Managing Director
DIN: 02443124

Sd/-
Mrs. I Sudha
Jt. Managing Director
DIN: 01816949

Sd/-
P Govindaraj
Chief Financial Officer

Sd/-
Mrs. P Vijayalakshmi
Chief Executive Officer

Sd/-
Ms. Reet Phulwani
Company Secretary

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company in name and style of S.A. Aanandan Spinning Mills Private Limited under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 23, 1996 bearing Registration Number 18-36146 of 1996 issued by Registrar of Companies, Tamil Nadu. Subsequently, our Company was converted into a public limited company pursuant to Special Resolution passed by the members at the Extraordinary General Meeting dated May 02, 2022 and to reflect the legal status, the name of our Company was changed to S.A. Aanandan Spinning Mills Limited and a fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company issued by the Registrar of Companies, Chennai dated May 31, 2022 bearing Corporate Identification Number U17116TN1996PLC036146. Further, the name of our Company has been changed to S.A. Aanandan Mill Limited and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Chennai dated August 05, 2022.

REGISTERED OFFICE OF OUR COMPANY

100, Srivilliputhur Road, Padikasuvaithanpatti Village,
Mamsapuram, Rajapalayam, Virudhunagar District,
Tamil Nadu 626110, India
Tel No: +91 4563 233100
Email: accounts@saaindia.com
Website: www.saaindia.com

ADDRESS OF THE REGISTRAR OF COMPANIES

Our Company is registered with the Registrar of Companies, Chennai, located at the following address:

Registrar of Companies

Block No. 6, B' Wing, 2nd Floor,
Shastri Bhawan 26, Chennai,
Tamil Nadu, India, 600034

BOARD OF DIRECTORS OF OUR COMPANY

Our Company's Board comprises of the following Directors as set forth the details in the following table:-

Name	DIN	Designation	Address
Anandan Ilavarasu	02443124	Chairman & Managing Director	37A, P.S.K Nagar, K.R Nagar Post, Rajapalayam, District- Virudhunagar, Tamil Nadu - 626108, India
Sudha Ilavarasu	01816949	Joint Managing Director	37A, P S K Nagar, K R Nagar Rajapalayam, Virudhunagar, Tamil Nadu - 626108, India.
Sathish Kumar A S	05019675	Non-Executive Independent Director	Old No. 6, New No. 17, Flat No. 1A, 1 st Avenue Indira Nagar, Adyar, Chennai, Tamil Nadu – 600020.
Chandrashekhar Guruswamy Aiyar	00585621	Non-Executive Independent Director	A-304/305, 3rd Floor, Cosmic Heights, Wadala Link Road, Bhakti Park, Wadala East, Mumbai, Maharashtra, India- 400037
Chandrasekaran Rajasekaran	09740318	Non-Executive Director	194/253, Sivagami Puram Street, Rajapalayam, Virudhunagar, Tamil Nadu- 626117, India.

For detailed profile of our Board of Directors, please refer to the section titled “*Our Management*” on page 152 of this Draft Prospectus.

CHIEF EXECUTIVE OFFICER

Name: Ponnusamy Vijayalakshmi
Address: 100, Srivilliputhur Road, Padikasuvaithanpatti Village,
Mamsapuram, Rajapalayam, Virudhunagar District, Tamil Nadu 626110, India
Tel No: +91 4563 233100
Email: viji@saaindia.com

CHIEF FINANCIAL OFFICER**Name:** Paulsamy Govindaraj**Address** 6/1 A, Madathupatti Street, Srivilliputhur, Virudhunagar 626125, Tamil Nadu.**Tel No:** +91 9597975757**Email:** accounts@saaindia.com**COMPANY SECRETARY & COMPLIANCE OFFICER****Name:** Reet Phulwani**Address:** Plot No.3, New Joshi Colony, Brahmpuri Jaipur 302 002 Rajasthan.**Tel No:** +91 4563 233100**Email:** secretarial@saaindia.com**INVESTOR GRIEVANCES**

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

All grievances relating to the ASBA process and UPI payment mechanism may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form Number, Applicant DP ID, Client ID, UPI ID, PAN, date of the ASBA Form, address of the applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, 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 also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned above.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY:

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
Fedex Securities Private Limited B 7, 3 rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India Tel No: +91 8104985149 Contact Person: Saipan Sanghvi Email Id: mb@fedsec.in Website: www.fedsec.in Investor Grievance Email: mb@fedsec.in SEBI Registration Number: INM000010163	Cameo Corporate Services Limited Subramanian Building, No. 1, Club House Road Chennai TN 600 002, India Tel No: 044 40020700 (5 lines) E-mail Id: priya@cameoindia.com Website: www.cameoindia.com Contact Person: Ms. K Sreepriya SEBI Registration No: INR000003753
LEGAL ADVISOR AS TO THE LEGAL CHAPTERS	BANKERS TO THE ISSUE / REFUND BANK / SPONSOR BANK
Rajani Associates, Advocates & Solicitors 204 – 207, Krishna Chambers 59, New Marine Lines Mumbai 400 020 Maharashtra, India Tel: +91 22 4096 1000 Email Id: sangeeta@rajaniassociates.net Contact Person: Sangeeta Lakhi	NAME: [●] Address: [●] Tel No: [●] Fax No: [●] E-mail Id: [●] Website: [●] Contact Person: [●] SEBI Registration No: [●]

STATUTORY AUDITOR AND PEER REVIEW AUDITOR	BANKERS TO THE COMPANY
Grandmark & Associates Chartered Accountants 9, 1 st Floor, East Periasamy Road R S Puram Coimbatore-641 002 Tel no. +91 422 4366551 E-mail id: venkat@grandmarkca.com Contact Person: D Venkataramanan, Senior Partner Firm Registration No. 011317N Membership No. 204728 Peer Review Number: 012124	Canara Bank Address: Specialized Mid Corporate Branch 159-162, Kamarajar Salai, Madurai 625 009 Tel No: +91 452 2311788 / 2311322 E-mail Id: cb7016@canarabank.com Website: www.canarabank.com Contact Person: K L Radhakrishna, Chief Manager ICICI Bank Limited Address: Regional Office, K K Nagar, Madurai Tel No: 0452 439 1543 E-mail Id: balamurugan.p@icicibank.com Website: www.icicibank.com Contact Person: P Balamurugan, Regional Head

SYNDICATE MEMBER

As on the date of this Draft Prospectus, there are no syndicate members.

DESIGNATED INTERMEDIARIES

SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)

The lists of SCSBs notified by SEBI to act as SCSB for the ASBA process is available on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. For details of the Designated Branches of SCSBs collecting the Application Forms, please refer to the above-mentioned SEBI link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>

The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS SPONSOR BANKS FOR UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>.

SYNDICATE SCSB BRANCHES

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and 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’ for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

REGISTERED BROKERS

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, applicant can submit Application Form for the Issue using the stock brokers network of the Stock Exchange, i.e., through the Registered Brokers at the Brokers 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), and updated from time to time.

For details on Registered Brokers, please refer

<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS (“RTA”)

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

COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)

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

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Fedex Securities Private Limited being sole Lead Manager to this Issue, all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them. Hence, a statement of inter-se allocation of responsibilities is not required.

IPO GRADING

No credit rating agency registered with SEBI has been appointed for purpose of obtaining grading for the issue.

CREDIT RATING

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

DEBENTURE TRUSTEES

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

GREEN SHOE OPTION

No Green Shoe Option is applicable for this Issue.

BROKERS TO THE ISSUE

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

MONITORING AGENCY

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below 10,000 Lakh. Since the Issue size is upto ₹ [●], our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

APPRAISING ENTITY

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

EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor namely, Grandmark & Associates, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their Report on Restated Financial Statements dated November 07, 2022 and Report on Statement of Tax Benefits dated November 07, 2022 and issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

FILING THE DRAFT PROSPECTUS AND PROSPECTUS

The Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Prospectus and Prospectus shall be filed with the Stock Exchange. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Prospectus and Prospectus shall also be furnished to the SEBI in a soft copy, pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. and the SEBI shall not issue any observation on the Prospectus in terms of Regulation 246(2) of SEBI ICDR Regulations.

A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 shall be filed to the Registrar of Companies where the registered office of the Company is situated.

For address of Registrar of Companies, please refer to head “**Registrar of Companies**” in the Chapter titled “**General Information**” beginning on page 61 of this Draft Prospectus.

UNDERWRITERS

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being issued through this Issue.

Name, Address, Telephone, Facsimile, and Email of the Underwriters	Indicated number of Equity Shares to be Underwritten*	Amount Underwritten (₹ in Lakhs)	% of the total Issue size Underwritten
NAME Address: Tel No: Fax No: E-mail Id: Website: Contact Person: SEBI Registration No Investor Grievance Email:	[●]	[●]	[●]
TOTAL	[●]	[●]	[●]

* Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

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

CHANGE IN THE STATUTORY AUDITOR DURING LAST THREE (3) YEARS

Name & Address of the Auditor	Date of Appointment	Date of Resignation	Reason for resignation
M/s. Narayanasamy & Associates, Chartered Accountants D.No.73D, Kamaraj Nagar, Rajapalayam, Tamil Nadu 626117 India Tel No: +91 9677720975 E-mail Id: shekharauditor@gmail.com Contact Person: M. Muthusubramanian Firm Registration No: 002401S Membership No: 022863	September 30, 2021	April 11, 2022	The Firm is not peer reviewed.
M. S. Jagannathan & N. Krishnaswami Chartered Accountants	April 11, 2022	July 11, 2022	Pre-occupation and inability to meet the deadlines due

Name & Address of the Auditor	Date of Appointment	Date of Resignation	Reason for resignation
2 Floor, New #10, Salai Road Extension, Thillainagar, Trichy, Tamil Nadu- 620018 India Tel No: +91 9381 721 405 E-mail Id: Srinivasan.k@msjandnk.in Contact Person: Srinivasan Krishnaswami Firm Registration No: 001208S Membership No: 021510			to non-availability of adequate manpower to carry out the audit.
R Raghunathan & Co., Chartered Accountants B26/33, First Floor, 19th Cross Street, Maharaja Nagar, Tirunellveli-627011, India. Tel no. +91 93446 75225 / +91 90253 01401 E-mail Id: rrcacwa@gmail.com Contact Person: R Raghunathan Firm Registration no. 012178S Membership no. 024201	July 15, 2022	August 17, 2022	The Firm is not peer reviewed.
Grandmark & Associates Chartered Accountants No. 9, 1 st Floor, East Periasamy Road R. S. Puram, Coimbatore - 641 002 Tel no. +91 0422 4366551 E-mail id: venkat@grandmarkca.com Contact Person: CA. D Venkataramanan, Senior Partner Firm Registration no. 011317N Membership no. 204728	August 17, 2022	-	N.A.

DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfill the obligations of Market Making for this Issue:

Name	[●]
Address	[●]
Tel no	[●]
Fax no	[●]
Email id	[●]
Website	[●]
Contact person	[●]
Sebi Registration no	[●]
Market Making Registration No.	[●]

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Issued.

[●], registered with EMERGE Platform of National Stock Exchange of India Limited will act as the market maker and have agreed to receive or deliver the specified securities in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and as amended from time to time and the circulars issued by the National Stock Exchange of India Limited 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(s) 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. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the Stock 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 the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of National Stock Exchange of India Limited and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ 1.00 Lakh. However, the investors with holdings of value less than 1.00 Lakh shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●]/- per share the minimum bid lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by NSE EMERGE.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of NSE (in this case currently the minimum trading lot size is [●] Equity Shares; however, the same may be changed by the SME platform of NSE from time to time).
5. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
6. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

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

7. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
9. There would not be more than five Market Makers for a script at any point of time. These would be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The Market Makers may compete with other Market Maker for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
10. 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. The securities of the company will be placed in

Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.

11. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
12. The shares of our Company will be traded in continuous trading session from the time and day our company gets listed on EMERGE Platform of National Stock Exchange of India Limited and the Market Maker will remain present as per the guidelines mentioned under National Stock Exchange Of India Limited and SEBI circulars.
13. 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.
14. Once registered as a Market Maker, he has to act in that capacity for a period as mutually decided between the Lead Manager and Market Maker. Once registered as a Market Maker, he has to start providing quotes from the day of the listing/the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Stock Exchange.
15. The Market Maker shall have the right to terminate said arrangement by giving a six-month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
16. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Maker does not exceed five (5) 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.
17. **Risk containment measures and monitoring for Market Makers:** NSE EMERGE Exchange 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. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
18. **Punitive Action in case of default by Market Makers:** NSE EMERGE Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular 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 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.
19. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
20. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
 - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

21. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

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

22. 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 Limited from time to time.
23. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. 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. The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism) to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft 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 with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Prospectus and after giving effect to the Issue is set forth below:

<i>Amount (₹ in Lakhs except share data)</i>			
Sr. No.	Particulars	Aggregate Nominal Value	Aggregate value at Issue Price
A.	AUTHORISED EQUITY SHARE CAPITAL		
	2,50,00,000 Equity Shares of face value of ₹ 10/- each	2500.00	-
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE		
	1,63,30,028 Equity Shares of face value of ₹10 /- each	1633.00	-
C.	PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS*		
	Fresh Issue of up to 70,00,000 Equity Shares of ₹10/- each for cash at price of ₹ [●]/- per Equity Share.	[●]	[●]
	Which comprises:		
	Market Maker Reservation portion: Reservation for Market Maker up to [●] Equity Shares of 10 /- each for cash at price of ₹ [●]/- will be available for allocation to Market Maker	[●]	[●]
	Net Issue to the Public: Net Issue to the Public up to [●] Equity Shares of ₹ 10 /- each for cash at price of ₹ [●]/- per Equity Share.	[●]	[●]
	Of which**:		
	Allocation to Retail Individual Investor: Up to [●] Equity Shares of face value of ₹ 10 /- each fully paid up for a cash price of ₹ [●]/- per Equity Share, i.e., 50% of the Net Issue shall be available for allocation Retail Individual Investors.	[●]	[●]
	Allocation to Other than Retail Individual Investors: Up to [●] Equity Shares of face value of ₹ 10 /- each fully paid up for a cash price of ₹ [●] /- per Equity Share, i.e. 50% of the Net Issue shall be available for allocation to other than Retail Individual Investors.	[●]	[●]
D.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE		
	[●] Equity Shares of face value of ₹ 10/- each	[●]	
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Issue (as on date of this Draft Prospectus)	NIL	
	After the Issue***	[●]	

*To be included upon finalization of the Issue price. The present Issue has been authorized pursuant to a resolution of our Board of Directors dated October 01, 2022 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting of the members held on December 12, 2022.

**Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spillover from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

***As certified by the statutory auditor Grandmark & Associates, Chartered Accountants vide its certificate dated January 03, 2023.

Class of Shares

Our Company has only one class of share capital i.e., Equity Shares of ₹10 /- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Changes in Authorized Equity Share Capital of our Company:

Details of changes in Authorized Share Capital of the Company since incorporation:

Particulars of change	Date of members Resolution	AGM / EOGM
The Authorised Share Capital of our Company is ₹ 60,00,000/- consisting of 60,000 Equity Shares of face value of ₹ 100.00 /- each.	On Incorporation	N.A.
Increase in Authorised Capital from ₹ 60,00,000/- consisting of 60,000 Equity Shares to ₹ 2,00,00,000/- consisting of 2,00,000 Equity Shares of face value of ₹ 100.00/- each.	January 27, 2000	EOGM
Increase in Authorised Capital from ₹ 2,00,00,000/- consisting of 2,00,000 Equity Shares to ₹ 2,50,00,000/- consisting of 2,50,000 Equity Shares of face value of ₹ 100.00/- each.	September 24, 2003	AGM
Increase in Authorised Capital from ₹ 2,50,00,000/- consisting of 2,50,000 Equity Shares to ₹ 4,50,00,000/- consisting of 4,50,000 Equity Shares of face value of ₹ 100.00/- each.	September 09, 2011	EOGM
Increase in Authorised Capital from ₹ 4,50,00,000/- consisting of 4,50,000 Equity Shares to ₹ 6,00,00,000/- consisting of 6,00,000 Equity Shares of face value of ₹ 100 /- each.	March 11, 2012	EOGM
Increase in Authorised Capital from ₹ 6,00,00,000/- consisting of 6,00,000 Equity Shares to ₹ 9,00,00,000/- consisting of 9,00,000 Equity Shares of face value of ₹ 100 /- each.	March 19, 2014	EOGM
Increase in Authorised Capital from ₹ 9,00,00,000/- consisting of 9,00,000 Equity Shares to ₹ 10,00,00,000/- consisting of 10,00,000 Equity Share of face value of ₹ 100 /- each.	December 28, 2018	EOGM
Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Shares of ₹ 10 each. Pursuant to the subdivision the Authorised Share Capital of the Company is as follows: <i>“The Authorised Share Capital of our Company shall be ₹25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹ 10 each”.</i>	June 20, 2022	EOGM
Increase in Authorised Capital from ₹ 10,00,00,000/- to ₹ 25,00,00,000/- consisting of 2,50,00,000/- Equity Shares of face value of ₹ 10 /- each.	December 12, 2022	EOGM

History of Issued and Paid-Up Share Capital of our Company

a. The following is the history of the Equity Share Capital of our Company:

Date of Allotment/ Issue	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (₹)
On Incorporation	270	100	100	Cash	Subscription to MOA ⁽ⁱ⁾	270	27,000
March 30, 1997*	59,910	100	100	Cash	Further Issue ⁽ⁱⁱ⁾	60,180	6,01,800
January 27, 2000*	93,820	100	100	Cash	Further Issue ⁽ⁱⁱⁱ⁾	1,54,000	1,54,00,000
March 9, 2000*	150	100	100	Cash	Further Issue ^(iv)	154,150	1,54,15,000
March 23, 2009	75,185	100	100	Cash	Further Issue ^(v)	229,335	2,29,33,500
March 31, 2012	1,00,000	100	100	Cash	Further Issue ^(vi)	329,335	3,29,33,500
March 31, 2014	4,48,511	100	100	Cash	Further Issue ^(vii)	777,846	7,77,84,600
March 31, 2018	50,000	100	100	Cash	Preferential Issue ^(viii)	827,846	8,27,84,600

Date of Allotment/ Issue	Number of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (₹)
September 29, 2018	50,000	100	100	Other than Cash	Preferential Issue ^(ix)	877,846	8,77,84,600
February 09, 2019	1,00,000	100	100	Other than Cash	Preferential Issue ^(x)	977,846	9,77,84,600
Pursuant to our Shareholders' resolution dated June 26, 2022, each fully paid-up Equity Share of our Company having face value of ₹ 100 each was subdivided into Equity Share of face value ₹ 10 each. Therefore, 9,77,846 equity shares of our Company of face value of ₹ 10 each were sub-divided into 97,78,460 Equity Share of face value ₹ 10 each.							
December 16, 2022	65,51,568	10	N.A.	Other than Cash	Bonus Issue	1,63,30,028	16,33,00,280

*Forms for some of the above-mentioned allotments are not available with the Company. Details in respect of share allotments have been inserted based on allotment and transfer registers and limited information available with the Company. Please refer to “**Risk Factor**” on page 23 of this Draft Prospectus.

- i. Initial Subscribers to the MOA subscribed to 270 Equity Shares of face value of ₹ 100.00/- each as per the details given below:

Sr. No.	Name	No. of Equity Shares
1.	S.A. Aanadan	90
2.	A. Aarunmoli	90
3.	Anandan Ilavarasu	90
Total		270

- ii. Further Issue as on March 30, 1997 of 59,910 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Anandan Ilavarasu	59,910
Total		59,910

- iii. Further Issue as on January 20, 2000 of 93,820 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	S.A. Anandan	6,000
2.	Unnamalai Ammal	10,820
3.	Anandan Ilavarasu	77,000
Total		93,820

- iv. Further Issue as on March 09, 2000 of 150 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Sudha Ilavarasu	150
Total		150

- v. Further Issue as on March 23, 2009 of 75,185 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Anandan Ilavarasu	71,275
2.	Sudha Ilavarasu	3,910
Total		75,185

- vi. Further Issue as on March 31, 2012 of 100,000 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:

Sr. No.	Name	No. of Equity Shares
1.	Anandan Ilavarasu	100,000
Total		100,000

- vii. *Further Issue as on March 31, 2014 of 4,48,511 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:*

Sr. No.	Name	No. of Equity Shares
1.	Anandan Ilavarasu	94,598
2.	M/s Shilpa Impex Pte Ltd.	3,53,913
Total		448,511

- viii. *Preferential Issue of shares as on March 31, 2018 of 50,000 Equity Shares of face value of Rs 100.00 /- each fully paid-up shares, the details are given below:*

Sr. No.	Name	No. of Equity Shares
1.	Anandan Ilavarasu	50,000
Total		50,000

- ix. *Preferential Issue as on September 29, 2018 of 50,000 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:*

Sr. No.	Name	No. of Equity Shares
1.	Anandan Ilavarasu	50,000
Total		50,000

- x. *Preferential Issue as on February 09, 2019 of 1,00,000 Equity Shares of face value of Rs 100.00/- each fully paid-up shares, the details are given below:*

Sr. No.	Name	No. of Equity Shares
1.	Anandan Ilavarasu	1,00,000
Total		1,00,000

- xi. *Bonus Issue as on December 16, 2022 of 65,51,568 Equity Shares of face value of Rs 10.00/- each fully paid-up shares, the details are given below:*

Sr. No.	Name	No. of Equity Shares
1.	Anandan Ilavarasu	41,52,881
2.	Sudha Ilavarasu	27,202
3.	Shilpa Impex Pte Ltd.*	23,71,217
4.	K Ramasubramanian	67
5.	I Shilpaa	67
6.	Arjun Kalasalingam	67
7.	Sachin Aanandh	67
Total		65,51,568

**Pending dematerialization of the equity shares of Shilpa Impex Pte Ltd, bonus shares allotted has been held in unclaimed suspense account.*

b. Issue of Equity Shares for Consideration other than Cash or out of revaluation reserves.

Except as set out below, our Company has not issued Equity Shares for consideration other than cash. Further, certain benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of Issue/ Allotment	No. of Equity shares Allotted	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Name of Allottees	No. of Shares Allotted	Benefits Accrued
September 29, 2018	50,000	10	N.A.	Preferential Issue	Anandan Ilavarasu	50,000	Increase in Capital
February 09, 2019	1,00,000	10	N.A.	Preferential Issue	Anandan Ilavarasu	1,00,000	Increase in Capital
December 16, 2022	65,51,568	100	N.A.	Bonus Issue	Anandan Ilavarasu	41,52,881	Capitalization of Reserves & Surplus
					Sudha Ilavarasu	27,202	
					Shilpa Impex Pte Ltd.	23,71,217	
					K Ramasubramanian	67	
					I Shilpaa	67	
					Arjun Kalasalingam	67	
					Sachin Aanandh	67	

2. Except for Bonus Issue made on December 16, 2022, our Company has not issued any Equity Shares at price below Issue Price within last one (1) year from the date of this Draft Prospectus.

Date of Issue/ Allotment	Total Equity shares Allotted	Face Value (₹)	Issue Price (₹)	Name of Allottees	No. of Shares Allotted	Promoters/ Promoters Group	Reason for Allotment
December 16, 2022	65,51,568	100	N.A.	Aanadan Ilavarasu	41,52,881	Promoter	Bonus Issue
				Sudha Ilavarasu	27,202	Promoter Group	
				Shilpa Impex Pte Ltd.	23,71,217	Public	
				K Ramasubramanian	67	Promoter Group	
				I Shilpaa	67	Promoter Group	
				Arjun Kalasalingam	67	Promoter Group	
				Sachin Aanandh	67	Promoter Group	

3. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees.
4. The Issue Price has been determined by our Company in consultation with the Lead Manager. As on the date of this Draft Prospectus, our Company does not have any Preference Share Capital.
5. Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.
6. **Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Prospectus.

The table below represents the current Shareholding pattern of our Company as on the date of this Draft Prospectus:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid-up equity shares held (IV)	No of partly paid-up equity shares held	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957 (As a % of (A + B + C)))	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI = VII + X)))	Number of Locked in shares (XII)		No. of shares Pledged or Otherwise Encumbered (XIII)		No. of Equity shares held in Demat Form (XIV)	
								No of voting Right	Total as % of (A+B +C)		No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)		
A	Promoter and Promoter Group*	7	1,63,30,028	100.00	--	1,63,30,028	100.00	1,63,30,028	100.00	--	--	--	--	--	--	1,04,19,681
B	Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C	Non-Promoter Non-Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C1	Shares Underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C2	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Total (A+B+C)	7	1,63,30,028	100.00	--	1,63,30,028	100.00	1,63,30,028	100.00	--	--	--	--	--	--	1,04,19,681

Note:

- As on the date of this Draft Prospectus 1 Equity Share holds 1 vote
- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Shares on the Stock Exchange.
- Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of NSE EMERGE platform before commencement of trading of such equity shares.

*In terms of SEBI circular bearing no. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/CIR/ISD/05/2011 dated September 30, 2011 our Company shall ensure that the Equity Shares held by the Promoter / members of the Promoter Group is dematerialized prior to filing the Prospectus with the ROC.

7. The share holding pattern of our Promoters, Promoter Group and Public before and after the Issue is set forth below:

Particulars	Pre-Issue		Post-Issue*	
	Number of Shares	Percentage (%) holding	Number of Shares	Percentage (%) holding
Promoter (A)				
Anandan Ilavarasu	1,03,51,211	63.39	[●]	[●]
Total (A)	1,03,51,211	63.39	[●]	[●]
Promoter Group (B)				
Sudha Ilavarasu	67,802	0.42	[●]	[●]
K Ramasubramanian	167	Negligible	[●]	[●]
I Shilpaa	167	Negligible	[●]	[●]
Arjun Kalasalingam	167	Negligible	[●]	[●]
Sachin Aanandh	167	Negligible	[●]	[●]
Shilpa Impex Pte Ltd	59,10,347	36.19	[●]	[●]
Total (B)	59,78,817	36.61	[●]	[●]
Public (C)				
Total (A+B+C)	1,63,30,028	100.00	[●]	[●]

*Subject to finalization of Basis of Allotment

8. Except as mentioned below, none of our Key Management Personnel hold Equity Shares in our Company as on the date of filing of this Draft Prospectus:

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares (Face Value of ₹ 10 each)	Percentage of Pre-Issue Paid up Share Capital share capital (%)
1.	Anandan Ilavarasu	1,03,51,211	63.39
2.	Sudha Ilavarasu	67,802	0.42
	Total	1,04,19,013	63.81

9. The list of shareholders holding 1% or more of the paid-up capital of our Company is as under:

Particulars of the shareholders holding 1% or more of the paid-up capital of our Company as on the date of this Draft Prospectus:

Particulars	Number of Shares	Percentage (%) holding
Anandan Ilavarasu	1,03,51,211	63.39
Shilpa Impex Pte Ltd	59,10,347	36.19
Total	1,62,61,558	99.58

10. Particulars of shareholders holding 1% or more of the paid-up capital of our Company, ten (10) days prior to the date of filing this Draft Prospectus:

Particulars	Number of Shares	Percentage (%) holding
Anandan Ilavarasu	1,03,51,211	63.39
Shilpa Impex Pte Ltd	59,10,347	36.19
Total	1,62,61,558	99.58

11. Particulars of shareholders holding 1% or more of the paid-up capital, one (1) year prior to the date of filing this Draft Prospectus:

Particulars	Number of Shares	Percentage (%) holding
Anandan Ilavarasu	6,19,873	63.39
Shilpa Impex Pte Ltd.	3,53,913	36.19
Total	9,73,786	99.58

12. Particulars of shareholders holding 1% or more of the paid-up capital, two (2) years prior to the date of filing this Draft Prospectus

Particulars	Number of Shares	Percentage (%) holding
Anandan Ilavarasu	6,19,873	63.39
Shilpa Impex Pte Ltd.	3,53,913	36.19
Total	9,73,786	99.58

13. History of the Equity Share capital held by our Promoter

As on the date of this Draft Prospectus, our Promoter holds 1,03,51,211 Equity Shares, equivalent to 63.39 % of the issued, subscribed and paid-up Equity Share capital of our Company.

a. Capital built-up of our Promoter:

Name of the Promoter: Anandan Ilavarasu							
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share (In ₹)	Reason / Nature of Allotment	Percentage of the pre-issue capital (in %)	Percentage of the post-issued capital (in %)
On Incorporation	90	Cash	100.00	100.00	Subscription to MOA	0.01	[●]
March 30, 1997	59,910	Cash	100.00	100.00	Further Issue	6.13	[●]
October 02, 1997	90	Cash	100.00	100.00	Transfer ⁽ⁱ⁾	0.01	[●]
January 20, 2000	77,000	Cash	100.00	100.00	Further Issue	7.87	
April 10, 2000	6,090	Cash	100.00	100.00	Transfer ⁽ⁱⁱ⁾	0.62	[●]
April 10, 2000	10,820	Cash	100.00	100.00	Transfer ⁽ⁱⁱⁱ⁾	1.11	[●]
March 23, 2009	71,275	Cash	100.00	100.00	Further Issue	7.29	[●]
March 31, 2012	1,00,000	Cash	100.00	100.00	Further Issue	10.23	[●]
March 31, 2014	94,598	Cash	100.00	100.00	Further Issue	9.67	[●]
March 31, 2018	50,000	Cash	100.00	100.00	Preferential Issue	5.11	[●]
September 29, 2018	50,000	Other than Cash	100.00	100.00	Preferential Issue	5.11	[●]
February 09, 2019	1,00,000	Other than Cash	100.00	100.00	Preferential Issue	10.23	[●]
April 05, 2022	(10)	Cash	100.00	100.00	Transfer ^(iv)	Negligible	[●]
April 05, 2022	(10)	Cash	100.00	100.00	Transfer ^(v)	Negligible	[●]
April 05, 2022	(10)	Cash	100.00	100.00	Transfer ^(vi)	Negligible	[●]

Name of the Promoter: Anandan Ilavarasu							
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share (In ₹)	Reason / Nature of Allotment	Percentage of the pre-issue capital (in %)	Percentage of the post-issued capital (in %)
April 05, 2022	(10)	Cash	100.00	100.00	Transfer (vii)	Negligible	[●]
Pursuant to our Shareholders' resolution dated June 26, 2022, each fully paid up Equity Share of our Company having face value of ₹ 100 each was subdivided into Equity Share of face value ₹ 10 each. Therefore, 6,19,833 equity shares of our Company of face value of ₹ 10 each were sub-divided into 61,98,330 Equity Share of face value ₹ 10 each							
December 16, 2022	41,52,881	Other than Cash	10.00	N.A.	Bonus Issue	25.43	[●]
Total	1,03,51,211					63.39	

(i) Transfer of 90 Equity Shares from A. Arunmoli

(ii) Transfer of 6,090 Equity Shares from A. Anandan and 10,820 shares from Unnamalai Ammal.

(iii) Transfer of 10 Equity Shares to Karunanithi Ramasubramanian

(iv) Transfer of 10 Equity Shares to Ilavarasu Shilpaa

(v) Transfer of 10 Equity Shares to Arjun Kalasalingam

(vi) Transfer of 10 Equity Shares to Ilavarasu Sachin Aanandh

14. All the Equity Shares allotted to the Promoter as given above were fully paid up as on the date of such allotment. Further, none of the shares have been pledged with any bank/ financial institution and/ or with anybody else.
15. The average cost of acquisition of or subscription to Equity Shares by our Promoters are set forth in the table below:

Name of the Promoter	No. of Equity shares held	Average cost of Acquisition (in ₹)*
Anandan Ilavarasu	61,98,330	5.99

*As certified by statutory auditor Grandmark & Associates, Chartered Accountants, pursuant to their certificate dated January 03, 2023.

16. We hereby confirm that:
- None of the members of the Promoters, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Prospectus, except as stated in “**Capital Structure - History of the Equity Share Capital**”
 - None of the Promoters, members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company within the period of six months immediately preceding the date of this Prospectus.
17. **Details of Promoter contribution locked in for three (3) years:**
- Pursuant to the Regulations 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Draft Prospectus, our Promoter individually holds 1,03,51,211 Equity Shares constituting 63.39 % of the Pre-Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoters' Contribution.

Our Promoter have consented to include such number of Equity Shares held by them as may constitute of the post issue Equity Share capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above. Details of the Equity Shares forming part of Promoter Contribution and their lock-in details are as follows*:

Promoter	Date of Allotment/ Acquisition and when made fully paid-up	Nature of Acquisition	No. of Equity Shares	Face Value (in ₹)	Issue Price per Equity share (in ₹)	% of Pre-Issue Equity share capital	% of Post Issue Equity shares Capital	Lock in Period
Anandan Ilavarasu	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total			[●]				[●]	[●]

**To be included in the Prospectus.*

The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as '*promoter*' under the SEBI ICDR Regulations. The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- i. Equity Shares acquired during the three (3) years preceding the date of filing of this Draft Prospectus for consideration other than cash and revaluation of assets or capitalisation of intangible assets involved in such transactions or resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against Equity Shares which are ineligible for computation of minimum Promoters' contribution;
- ii. Equity Shares acquired by our Promoter during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue is not part of the minimum promoter's contribution;
- iii. The Equity Shares held by the Promoter that are subject to any pledge or any other form of encumbrance
- iv. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership into a company in the past one (1) year and thus, no Equity Shares have been issued to our Promoter upon conversion of a partnership firm a limited liability partnership in the past one (1) year.
- v. As on the date of this Draft Prospectus, the Equity Shares held by the Promoter are in dematerialised form.

18. Equity Shares locked-in for one year other than Minimum Promoters' Contribution.

Pursuant to regulation 238(b) and 239 of the SEBI (ICDR) Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters' contribution for three years, all pre-Issue [●] Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

19. Transferability of Locked in Equity Shares

- a) In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoter as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important nonbanking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

- b) Further, pursuant to Regulation 243 of SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under SEBI ICDR Regulations has ended, subject to compliance with SEBI Takeover Regulations, as applicable.
- c) Further, pursuant to Regulation 243 of SEBI ICDR Regulations, the Equity Shares held by Promoters prior to the Issue and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

20. Pledge of Locked in Equity Shares

In terms of Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions or a systemically important non-banking finance company or a housing finance company, subject to the following:

- a) If the Equity Shares are locked-in in terms of sub-regulation (a) of Regulation 238 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and the pledge of specified securities is one of the terms of sanction of the loan;
- b) If the Equity Shares are locked-in in terms of sub-regulation (b) of Regulation 238 of the SEBI ICDR Regulations and the pledge of Equity Shares is one of the terms of sanction of the loan.

Provided that such 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 in these regulations has expired.

21. Inscription or recording of non-transferability

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.

22. Details of share capital locked in for one (1) year

Other than the above-mentioned Equity Shares that would be locked-in for three (3) years, the entire pre-Issue capital of our Company would be locked-in for a period of one (1) year from the date of Allotment in the Issue pursuant to Regulation 238(b) and Regulation 239 of SEBI ICDR Regulations.

- 23. As on date of this Draft Prospectus, our Company has 07 shareholders.
- 24. As on date of this Draft Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and Sections 230-232 of the Companies Act, 2013.
- 25. **Our Company has not re-valued our assets and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves except as mentioned below.**

Our Company has revalued its fixed assets on March 21, 2014 comprising of land admeasuring 7 acres and 79 cents and building constructed thereon and located in Survey no.s 33/1 A2 and 33/1B 1, Padikasuvaithanpatti Village, Survey no.s 69 / 1B1, 69/4 and 5, Mamsapuram Village, Door no. 152, Tenkasi – Madurai Road, Rajapalayam, Virudhunagar District and landed property admeasuring 6.58 acres located in Survey no.s 1255/3A, 1256/2, 1257/1B2, 1258/1, 1258/2, 1261/1, 1262, 1266/2A1 and 1266/2B1,

Door no.s 87A, 87B, 87C, Sundarapandiam Village, Srivilliputtur Taluk, Kunnur Sub Registrar Range, Virudhunagar District.

Our Company has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in last ten years.

26. None of the persons/entities comprising our Promoter Group, our Directors or 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 any such entity/individual or otherwise during the period of six (6) months immediately preceding the date of this Draft Prospectus.
27. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Our Company does not have any intention or proposal to alter its capital structure within a period of 6 (six) 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 whether preferential or bonus, rights or further public issue basis. However, Our Company is in expansion phase and may need additional capital to fund existing/ and or future organic and/ or inorganic expansion. Therefore, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the issue appropriately in due compliance with the applicable statutory provisions.
28. Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy-back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
29. Neither the Lead Manager nor any of their associates (as defined under Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
30. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the members of the Promoter Group during the period between the date of registering the Prospectus with the RoC and the date of closure of the Issue shall be reported to the Stock Exchange within twenty-four (24) hours of the transaction.
31. Prior to this Initial Public Offer, our Company has not made any public issue at large.
32. As per RBI regulations, OCBs are not allowed to participate in this Issue.
33. Our Promoters and the members of our Promoter Group will not participate in this Issue.
34. There are no Equity Shares against which depository receipts have been issued
35. Our Company has not raised any bridge loans against the proceeds of the Issue.
36. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
37. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of the Draft Prospectus. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid-up Equity shares.
38. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

39. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
40. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (determined as per the definition of 'associate Company' under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.
41. 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 152 of this Draft Prospectus.
42. An over-subscription to the extent of 1% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% 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 Promoter and subject to 3-year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.

SECTION - IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue comprises of Fresh Issue of upto 70,00,000 Equity Shares of our Company at an Issue Price of ₹ [●] aggregating upto ₹ [●] Lakhs. The Net Proceeds from the Issue are proposed to be utilised by our Company for the following objects (*collectively referred to as “Objects”*):

- 1) Expenditure for opening new Multi Brand Outlet of our Company;
- 2) To meet the working capital requirements of our Company; and
- 3) General corporate purposes.

We believe that listing will enhance our corporate image and visibility of our brand name. We also believe that our Company will receive the benefits from listing of Equity Shares on the NSE Emerge and creation of a public market for our Equity Shares in India.

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

NET PROCEEDS

The details of the net proceeds of the Issue are summarised in the table below:

Particulars	Estimated Amount (₹ in lakhs)
Gross Proceeds from the Issue#	Upto [●]
Less: Issue Related Expenses	[●]
Net Proceeds	[●]

To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the Stock Exchange.

UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(₹ in Lakhs)

Particulars	Total - estimated cost	Amount to be funded from Net Proceeds	Estimated utilisation of Net Proceeds in FY 2022 – 23	Estimated utilisation of Net Proceeds in FY 2023 – 24
Expenditure for opening new Multi Brand Outlet of our Company	1527.93	1527.93	200.00	1327.93
To meet the working capital requirements of our Company	NA	300.00	Nil	300.00
General corporate purposes *	[●]	[●]	[●]	[●]

*To be finalised upon determination of Issue Price and updated in the Prospectus. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

We propose to deploy the entire Net Proceeds towards the Objects of the Issue by the end of the Financial Year 2024 and in the manner as specified in the table above. However, if the Net Proceeds are not completely utilised for the Objects of the Issue stated above by the end of Financial Year 2024, such amounts will be utilised (in part or full) in the next financial year or subsequent periods towards the aforementioned Objects of the Issue, as determined by us, in accordance with applicable law.

The deployment of funds indicated above is based on management estimates, current circumstances of our business, current and valid quotations from suppliers, prevailing market conditions, which are subject to change, and other commercial and technical factors. The deployment of funds described herein has not been appraised by

any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For further details of factors that may affect these estimates, see **“Risk Factor - There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our management and our Board of Directors, though it shall be monitored by the Audit Committee. The objects of the Offer for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.”** beginning on page 23 of this Draft Prospectus.

MEANS OF FINANCE

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

DETAILS OF THE OBJECTS OF THE ISSUE

1. Expenditure for opening new Multi Brand Outlet of our Company

Our Company retails wide portfolio of textile, readymade clothing and ethnic wear for men, women and children across multiple third-party brands through our 2 retail textile stores i.e. Ananda Textile & Readymades (**“Retail Store 1”**) and Ananda Lifestyle (**“Retail Store 2”**) in Chittoor, Andhra Pradesh (collectively **“MBOs”**). Our MBOs are multi storied and spread over an area of about 11,110 sq. ft., with dedicated product category at each floor level. Our MBOs are a one-stop-destination with a wide spectrum of product categories that includes sarees, dress materials, suiting’s & shirting’s, readymade garments, office wear and celebration wear.

As part of our strategy, we plan to expand our retail operation and cater to the upper middle class and high income customer segment by establishing a new multi brand outlet (**“New Store”**) spread across about 19,700 sq. ft. at 100, G.N. Chetty Road, T. Nagar, Chennai - 600 017, which is a prominent shopping area in the heart of Chennai city (Source: Certificate from registered architect T.S. Saravanan of M/s. Arkie Atelier Design India Private Limited). The layout of the proposed New Store is as under.

Sr. No.	Description	Area (in sq. ft.)
1.	Basement Floor	3200
2.	Ground Floor	3200
3.	First Floor	3200
4.	Second Floor	3200
5.	Third Floor	3200
6.	Fourth Floor	3200
7.	Terrace Floor	500
	Total	19,700

Our Company proposes to utilize a portion of the Net Proceeds of this Issue amounting up to ₹ 1527.93 Lakhs towards funding of capital expenditure for opening of our New Store in Chennai, and an aggregate amount of up to ₹ 200.00 Lakhs and up to ₹ 1327.93 Lakhs, would be utilized during the Financial Years 2023 and 2024, respectively. We intend to enhance our position by expanding our store network in the state of Tamil Nadu and plan to explore new markets with the intent to expand our footprint and further increase customer base and expand our store in key cities and metropolitan areas.

As of the date of this Draft Prospectus, we operate and manage 2 (Two) stores (**“MBOs”**) with a retail business area of about 11,110 sq. ft. and 1 (One) wholesale store spread across an area of about 9402 sq. ft., all stores located in Chittoor, Andhra Pradesh. We intend to utilize the portion of the Net Proceeds towards setting up of the New Store in Chennai that would become operational in the Financial Year 2024. The premises for the proposed

New Store is owned by our Promoter, Anandan Ilavarasu and will be taken on long-term lease. The details of the New Store proposed to be opened are set forth in the table below:

Location	Address of the Store	Document Executed*	Date of the document executed	Name of the Lessor	Plot Area (Sq. ft.)	Period of Lease	Salient features of the document
Chennai	100, G.N. Chetty Road, T. Nagar, Chennai - 600 017	Lease Agreement	December 29, 2022	Anandan Ilavarasu	6,400	10 years	Deposit – Nil Rent – 415.00 / sq.ft. per month of potential FSI of 19700 sq.ft.

**The Company will enter into long term lease agreement on or before March 31, 2023*

The size of the proposed New Store is approximately 19,700 sq. ft., which is subject to necessary approvals from the Chennai Metropolitan Development Authority (“CMDA”). Our estimated costs for opening of the New Store are based on valid and existing quotation dated December 29, 2022 from registered architect T.S. Saravanan, of Arkie Atelier Design India Private Limited for the purposes of capital expenditure towards civil construction, fit-out and approval costs. A detailed breakdown of these estimated costs is as follows:

Sr. No.	Particulars	Total Cost (in ₹ Lakhs)	Cost (in ₹ per sq. ft.)
1.	Civil Structure	491.45	2,494.67
2.	External Development	31.94	162.13
3.	Finishing Work	285.65	1,450.00
4.	MEP Works	205.22	1,041.73
5.	Interior Works	394.00	2,000.00
6.	Consultant Fees	70.41	357.41
7.	Others	49.25	250.00
	Total	1,527.93	7,755.99

Notes:

a) Above quotation is valid for a store size of 19700 sq. ft. and for a period of 6 months from December 29, 2022.

b) Please note that depending on changes in store size and actual store specific requirements overall quotation may vary.

c) The above amount is excluding GST

The quotations received from the architect M/s. Arkie Atelier Design India Private Limited, mentioned above are valid as on the date of this Draft Prospectus. However, we have not entered into any definitive agreements with any architects, contractors or vendors for the matters set out above. There can be no assurance that the estimates received will not change at the time of entering into definitive agreements with them, and consequently there can be no assurance that we will enter into definitive agreements with the same contractors and vendors from whom we have received such estimates.

Government Approvals

The construction of our New Store will require approval of Chennai Metropolitan Development Authority (CMDA), Corporation, Tangedco, CMWSSB, Labour License and Insurance. Further, our New Store has to be registered under the shops and establishments legislations of the state where it is located. We will apply for such approval in the ordinary course and in accordance with applicable laws. For details of laws applicable and approvals required for the Chennai store, see “**Key Regulations and Policies in India**” and “**Government and Other Approvals**” on pages 142 and 223 of this Draft Prospectus.

2. Working Capital Requirements

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, borrowings from various banks and unsecured loans from body corporates, related party and others. As

on July 31, 2022, the amount outstanding on our Company's fund based and non-fund based working capital facilities was ₹3356.89 Lakhs and ₹215.42 Lakhs and, respectively, as per Restated Audited Financial Statements.

In order to support the incremental business requirements, our Company requires additional working capital for funding its incremental working capital requirements in Financial Year 2024. The funding of the incremental working capital requirements of our Company will lead to a consequent increase in our profitability and achieving the proposed targets as per our business plan.

Basis of estimation of working capital requirement

We propose to utilise upto ₹ 300.00 Lakhs from the Net Proceeds to fund the working capital requirements of our Company in the Financial Year 2024. The balance portion of our working capital requirement will be arranged from existing equity, internal accruals and borrowings from banks, financial institutions and related parties.

Set forth below are the current assets and working capital requirement of our Company for the four-month period ended as on July 31, 2022, and for the Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020 as per the Restated Audited Financial Statement and as certified by Grandmark & Associates, Statutory Auditor by way of their certificate dated January 03, 2023.

(₹ in lakhs)				
Particulars	Four-month period ended July 31, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
<i>Current assets</i>				
Inventories	4005.77	4261.94	3797.55	3352.67
Trade receivables	1043.11	1197.21	722.38	846.83
Cash and Cash Equivalents	198.06	191.01	86.04	135.45
Short Term Loans and Advances & Other Current Assets	1243.19	1166.39	365.87	276.06
Total Current Assets (A)	6490.13	6816.55	4971.85	4611.01
<i>Current liabilities</i>				
Trade payables	456.18	1253.39	918.84	1012.37
Other Current Liabilities and Provisions	340.78	262.22	337.52	158.29
Total current liabilities (B)	796.96	1515.61	1256.36	1170.66
Net working capital (A – B)	5693.17	5300.94	3715.49	3440.35
<i>Sources of funds</i>				
Borrowings	3572.33	3582.03	3715.49	3440.35
Internal accruals / Equity	2120.84	1718.90	-	-
Total Means of Finance	5693.17	5300.94	3715.49	3440.35

For further details, please see the section titled “*Restated Financials Statements*” on page 178 of this Draft Prospectus.

Expected working capital requirements

Details of the Company's projected working capital requirements for Financial Year, together with the assumptions and justifications, and the proposed funding of such working capital requirements, are as set forth below:

(₹ In lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023
<i>Current Assets</i>		
Inventories	5541.97	4063.81
Trade receivables	1369.97	1106.25
Cash and Cash Equivalents	248.62	231.27
Short Term Loans and Advances & Other Current Assets	1441.97	1341.37
Total Current Assets (A)	8602.53	6742.70
<i>Current Liabilities</i>		
Trade payables	1734.05	1039.82
Other Current Liabilities and Provisions	447.51	416.29
Total Current Liabilities (B)	2181.56	1456.11
Net working capital (A – B)	6420.97	5286.59
<i>Sources of funds</i>		
Borrowings	4000.00	3572.33
Internal accruals / Equity	2120.97	1714.26
Issue Proceeds	300.00	-
Total Means of Finance	6420.97	5286.59

Our Company proposes to utilize upto ₹ 300.00 Lakhs from the Net Proceeds towards funding our working capital requirements. In addition to the Net Proceeds, our Company expects that the funding pattern for working capital requirements for Financial Years 2023 and 2024 will comprise of borrowings and internal accruals.

The table below contains the details of the holding levels (in number of days or relevant matrix as applicable) considered and is derived from the Restated Financial Information for the Financial Years 2022 to 2020, the projections for the Financial Years 2023 and 2024 and the assumptions based on which the working plan projections has been made and approved by our Board of Directors:

(in days)

Particulars	As on March 31, 2024	As on March 31, 2023	Four months period ended July 30, 2022*	As on March 31, 2022*	As on March 31, 2021*	As on March 31, 2020*
Average Inventory Days	135	125	125.49	127.69	126.69	123.61
Average Receivable Days	30	30	28.54	25.64	25.21	19.50
Average Trade payables	35	35	27.71	32.97	32.76	27.02

*As certified by Statutory Auditors, Grandmark & Associates, Chartered Accountants pursuant to their certificate dated January 03, 2023.

The table below sets forth the key assumptions for our working capital projections*:

Sr. No.	Particulars	Assumptions
1.	Inventories	In order to meet customer requirements, our Company needs to maintain raw material and finished goods inventory including adequate inventory for display at the retail outlets. Our Company has maintained an average inventory of 127.69 days, 126.69 days, 123.61 days and 125.49 days of cost of goods sold for Financial Year ended March 31, 2022, March 31, 2021,

Sr. No.	Particulars	Assumptions
		and March 31, 2020 and for the four month period ended July 31, 2022 respectively. Further, the inventory holding will be higher for Fiscal 2024 as we anticipate to open our New Store at Chennai during the month of January, 2024. Accordingly, we have anticipated our inventory holding days to be 125 days and 135 days for Financial Year ended March 31, 2023 and March 31, 2024 respectively.
2.	Trade receivables	We had average trade receivables of 25.64 days, 25.21 days, 19.50 days and 28.54 days of revenue from operations at the end of Financial Year ended March 31, 2022, March 31, 2021, and March 31, 2020 and for the four month period ended July 31, 2022 respectively. We have assumed average trade receivables of 30 days of revenue from manufactured goods at the end of Financial Year March 31, 2023 and March 31, 2024, respectively. We believe, going forward our company will see a marginal increase in average trade receivable days on account of increase in revenue from manufactured goods.
3.	Trade payables	We had average trade payable of 32.97 days, 32.76 days, 27.02 days and 27.71 days of purchases at the end of Financial Year ended March 31, 2022, March 31, 2021, and March 31, 2020 and for the four-month period ended July 31, 2022. We have assumed trade payable of 35 days of cost of goods sold at the end of Fiscal 2023 and Fiscal 2024 respectively.

General Corporate Purposes

Our Company intends to deploy any balance Net Proceeds towards general corporate purposes, not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

General corporate purposes may include, but are not restricted to, the following:

- strategic initiatives;
- funding growth opportunities;
- strengthening marketing capabilities and brand building exercises;
- meeting ongoing general corporate contingencies;
- meeting capital expenditure or temporary working capital requirements;
- meeting fund requirements of our Company, in the ordinary course of its business;
- meeting expenses incurred in the ordinary course of business; and
- any other purpose, as may be approved by the Board, subject to applicable law.

Issue Related Expenses

The total expenses of the Issue are estimated to be ₹ [●] lakhs. The break-up for the Issue expenses is as follows:

Activity	Estimated Amount (₹ in lakhs)	As a % of total estimated issue expenses ⁽¹⁾	As a % of issue size ⁽¹⁾
Lead manager(s) fees including underwriting commission	[●]	[●]	[●]
Brokerage, selling commission and upload fees	[●]	[●]	[●]
Registrars to the issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]

Activity	Estimated Amount (₹ in lakhs)	As a % of total estimated issue expenses ⁽¹⁾	As a % of issue size ⁽¹⁾
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationary	[●]	[●]	[●]
Others, if any (to be specified)	[●]	[●]	[●]
Total	[●]	[●]	[●]

Notes:

- The fund deployed out of internal accruals up to December 31, 2022 is 25.56 Lakhs towards issue expenses vide certificate dated January 03, 2023 received from Grandmark & Associates and the same will be recouped out of issue expenses.

- Selling commission payable to the SCSBs on the portion for Retail Individual Investors. Non-Institutional Investors, which are directly procured by the SCSBs, would be as follows

Portion for Retail Individual Applicants*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Applicants*	₹10 per valid application (plus applicable taxes)

* The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of NSE

- No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Applicants and Non-Institutional Applicants which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Applicants*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Applicants*	₹10 per valid application (plus applicable taxes)

- The processing fees for applications made by Retail Individual Applicants using the UPI Mechanism would be as follows:

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	₹10 per valid application (plus applicable taxes)
Sponsor Bank	₹10 per valid application* (plus applicable taxes). The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars and other applicable law

*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIIs (up to ₹200,000), Non-Institutional Applicants (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds Rs 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

- Selling commission on the portion for Retail Individual Applicants and Non-Institutional Applicants which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

<i>Portion for Retail Individual Applicants*</i>	<i>₹10 per valid application (plus applicable taxes)</i>
<i>Portion for Non-Institutional Applicants*</i>	<i>₹10 per valid application (plus applicable taxes)</i>

**Based on valid applications*

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Applicants which are procured by them and submitted to SCSB for blocking or using 3-in- 1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Applicants which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

<i>Portion for Retail Individual Applicants*</i>	<i>₹10 per valid application (plus applicable taxes)</i>
<i>Portion for Non-Institutional Applicants*</i>	<i>₹10 per valid application (plus applicable taxes)</i>

** Based on valid applications*

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed Rs.1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds Rs 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Noninstitutional Applicants which are procured by them and submitted to SCSB for blocking, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of NSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Applicants 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

2. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
3. The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
4. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by our Board from time to time. Our Company confirms that it shall not use the Net Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed company or for any investment in the equity markets or providing inter-corporate deposits to any related parties.

Additionally, in compliance with Regulation 66 of the SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies. Further, our Company confirms that the borrowings proposed to be repaid from the Net Proceeds have not been utilised towards any payments, repayment / refinancing of any loans availed from the Promoter Group or Group Companies.

Bridge financing facilities and other financial arrangements

Our Company has not raised any bridge loans or entered into any other similar financial arrangements from / with any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

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

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

Appraising Agency

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

Variation in Objects

Our Company shall not vary the objects of the Issue, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, without our Company being authorised to do so by the Shareholders by way of a special resolution and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act.

Other Confirmations

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, or Key Management Personnel. Our Company has not entered into nor is planning to enter into any arrangement / agreements with Promoters, members of the Promoter Group, Directors or Key Management Personnel in relation to the utilisation 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 set out above.

BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●] per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹ 10 per Equity Share. The Issue Price is [●] times the face value.

Investors should refer sections / chapters titled **“Risk Factors”**, **“Business Overview”**, **“Restated Financial Statements”** and **“Management Discussion and Analysis of Financial Condition and Results of Operations”** beginning on pages 23, 106, 178 and 208 respectively of this Draft Prospectus to get an informed view before making an investment decision. The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

Qualitative Factors

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

1. Wide range of products catering to all occasions across age groups and market segments resulting in strong customer loyalty
2. Strong Promoter background
3. Modern Process and Technology
4. Locational Advantage
5. Quality and Customer Satisfaction
6. Diversified customer base
7. Diversification into Organic and Sustainable Eco-Friendly Textiles
8. Strong track record of growth and profitability and financial discipline

For further details, refer heading **“Our Competitive Strengths”** under section titled **“Business Overview”** beginning on page 106 of this Draft Prospectus.

Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements for the four-month period ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and for the Financial Year ended March 31, 2020. Some of the quantitative factors which form the basis or computing the price, are as follows:

1. Basic and Diluted Earnings per Share (EPS)

Year / Period ended	Pre-Bonus*		Post-Bonus	
	Basic EPS and Diluted EPS	Weights	Basic EPS and Diluted EPS	Weights
March 31, 2020	(5.29)	1	(3.17)	1
March 31, 2021	4.70	2	2.81	2
March 31, 2022	11.35	3	6.80	3
Weighted Average	6.36	6	3.81	6
For the four months period ended July 31, 2022 (Not Annualised)	3.71	--	2.22	

**As restated, divided by number of equities shares outstanding at the end of the period/year is before giving effect of split of Equity Shares. Therefore, after retrospective of split of shares post restated period i.e., after [●]. Post-split of face value from ₹ 100/- to ₹ 10/-, the total no. of equity shares has been increased to 97,78,460 from 9,77,846 without any fresh infusion of Equity Share Capital.*

Note:

- The face value of each Equity Share is ₹ 10.
- Basic and diluted Earnings per share calculations are in accordance with Indian GAAP and Accounting Standard as applicable and based on the Restated Financial Statement of our Company.
- Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no. of equity shares outstanding during the year (Post effect of bonus) /period as per Restated Financial Statement
- Weighted Average EPS = Aggregate of Year wise weighted EPS divided by the Aggregate weights i.e. [(EPS *Weights) for each year / Total Weights]
- The above statement should be read with significant accounting policies and notes on Restated Financial Information as appearing in the Restated Financial Statements.
- Our Company issued bonus in the ratio of 167 Equity Shares for every 100 shares held to the existing shareholders as fully paid bonus shares on December 15, 2022. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported.

2. Price to Earnings (P/E) ratio in relation to Issue Price ₹ [●] per Equity Share of ₹ 10 each fully paid up

Particulars	P/E ratio
P/E ratio based on Basic & Diluted EPS for FY 2021-22 (Pre-Bonus)	[●]
P/E ratio based on Basic & Diluted EPS for FY 2021-22 (Post Bonus)	[●]
Industry Peer Group P/E ratio	
Highest	NA
Lowest	NA
Average	NA

3. Return on Net worth (RoNW)

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

Year Ended	RONW (%)	Weight
March 31, 2020	(71.83)	1
March 31, 2021	38.94	2
March 31, 2022	48.47	3
Weighted Average	25.24	6

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

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

4. Net Asset Value (NAV)

Particulars	Pre-Bonus (₹ Per Share)	Post- Bonus (₹ Per Share)
Net Asset Value per Equity Share as of March 31, 2022	23.42	14.03
Net Asset Value per Equity Share after IPO	[●]	[●]
Issue Price per equity share	[●]	[●]

- Net Asset Value per Equity Share has been calculated as net worth, as restated, as at year ended March 31, 2022 / Number of outstanding Equity Shares as at year ended March 31, 2022.

Note: The figures disclosed above are based on the Restated Financial Statement of our Company

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

$$\text{NAV} = \frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Outstanding number of Equity shares outstanding during the year / period}}$$

Our Company issued bonus in the ratio of 167 Equity Shares for every 100 Equity shares held to the existing shareholders as fully paid bonus shares on December 15, 2022. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported.

5. Comparison with industry peers

Our business model is a diverse mix of manufacturing of cotton yarn and cotton blended yarn, processed yarn and retail & wholesale of textiles and readymade clothing. There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry P/E ratio.

6. The Issue price is [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] per equity share has been determined by the Company in consultation with the lead manager on the basis of an assessment of market demand for the equity shares through the fixed price issue process and on the basis of qualitative and quantitative factors.

Prospective investors should read the above-mentioned information along with **“Risk Factors”**, **“Business Overview”**, **“Management’s Discussion and Analysis of Financial Position and Results of Operations”** and **“Restated Financial Statement”** beginning on pages 23, 106, 208 and 178, respectively of this Draft Prospectus, to have a more informed view. The trading price of the equity shares could decline due to the factors mentioned in the **“Risk Factors”** and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

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STATEMENT OF POSSIBLE TAX BENEFITS

The Board of Directors
S.A.Aanandan Mill Limited
100, Srivilliputhur Road
Padikasuvaithanpatti Village
Mamsapuram
Rajapalayam 626 110
Virudhunagar District

Dear Sirs,

Sub: Proposed Initial Public Offering (IPO) of the Equity Shares of the S.A.Aanandan Mill Limited, (the "Company"), pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations") and the Companies Act, 2013, as amended (the "Act").

1. This report is issued in accordance with the terms of our engagement letter dated August 17, 2022.

The accompanying Statement of Special Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "the Statement") under the Income Tax Act, 1961 (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2022 (hereinafter referred to as the "Income Tax Regulations") and under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Service Tax Act, 2017 (GST Act),(read with Goods And Service Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2022 has been prepared by the management of the Company in connection with the proposed Offer, which we have initialled for identification purposes.

Management's responsibility

2. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus (the "Offer Documents") is the responsibility of the management of the Company and has been approved by the Board of Directors for the purpose set out in paragraph 12 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable.

GRANDMARK & ASSOCIATES

CHARTERED ACCOUNTANTS

Branch Office: No.9, 1st Floor, East Periasamy Road, R.S.Puram, Coimbatore – 641 002

Tel.: 0422 4366551, 2545501,502,503 | Email: venkat@grandmarkca.com |www.grandmarkca.com



H.O.: 215, II-Floor, Neo Corporate Plaza, Kanchpada, Ramchandra Lane Extension, Malad (West), Mumbai – 400064

Branches: Ahmedabad | Bengaluru | Bhopal | Chandigarh | Chennai | Coimbatore | Deoghar | Gurugram | Hyderabad | Indore | Karnal | Kochi
Kolkata | Lucknow | Ludhiana | Mumbai | Nashik | New Delhi | Pollachi | Panvel | Pune | Raipur | Rohtak | Udaipur | Vijayawada | Trivandrum

in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's responsibility

3. Our work has been carried out in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.
4. Pursuant to the SEBI Regulations and the Act, it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the special tax benefits available as of July 31, 2022 on the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.
5. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Offering.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

Inherent Limitations

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.
8. Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.
9. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

GRANDMARK & ASSOCIATES

CHARTERED ACCOUNTANTS

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Further, we give no assurance that the income tax authorities/ other indirect tax authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

10. In our opinion, the Statement prepared by the Company presents, in all material respects, the special tax benefits available as of July 31, 2022, to the Company and the shareholders of the Company, is in accordance with the Income Tax Regulations & other Indirect Tax Regulations as at the date of our report.

Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

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

Restriction on Use

11. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents, prepared in connection with the Offer to be filed by the Company with the NSE.

For GRANDMARK & ASSOCIATES**Chartered Accountants****Firm Reg. No: 011317N****PRC No: 012124**

CA D Venkataramanan
Senior Partner
Membership No: 204728

**Place: Coimbatore****Date: November 07, 2022****UDIN: 22204728BDKQMC9781****GRANDMARK & ASSOCIATES**

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ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO S.A.ANANDAN MILL LIMITED ("THE COMPANY") AND THE COMPANY'S SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to the Company and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current tax laws presently in force. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to 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.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND TO THE SHAREHOLDERS OF THE COMPANY

Under the Income Tax Act, 1961 (the Act)

I. Special tax benefits available to the Company

A. Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified deductions or set-off of losses, depreciation etc., and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The options needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The company has represented to us that they will opt to apply section 115BAA of the Act for the Assessment Year 2022-23.

B. Deductions from Gross Total Income

Deduction in respect of employment of new employees:

Subject to the fulfillment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred

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in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act.

Deduction in respect of donation to certain funds, charitable institution, etc.

Donations made by the company towards certain specified funds and charitable institution as prescribed under section 80G of the Act shall be eligible for 100%/50% deduction subject to the conditions as prescribed.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders under the provisions of the Income-tax Act, 1961.

Notes:

1. The benefits in I and II above are as per the current tax law as amended by the Finance Act, 2022.
2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
3. Surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores.
4. If the company opts for concessional income tax rate under section 115BAA of the Act, surcharge shall be levied at the rate of 10%.
5. Health and Education Cess @ 4% on the tax and surcharge is payable by all category of tax payers.
6. If the company opts for concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions:
 - ▣ Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
 - ▣ Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
 - ▣ Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
 - ▣ Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)

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- ▣ Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- ▣ Deduction under section 35CCD (Expenditure on skill development)
- ▣ Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M;
- ▣ No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
- ▣ No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above

7. Further, it was also clarified by CBDT vide circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

8. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

STATEMENT OF POSSIBLE INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY

1. Special tax benefits available to the Company

- ▣ The company can avail the benefit of inverted duty structure refund with respect to Input Tax Credit where the tax paid on outputs is 5% and the inputs are higher. However, we are informed that they do not have major unutilised input tax credit and hence they are not availing refund.
- ▣ The company is entitled to refund of GST Input tax paid on goods and services utilised for export of goods which are zero rated subject to conditions as per GST Law / Rules / Notifications.
- ▣ The company is not importing any items, hence they are not availing any Free Trade Agreement (FTA) benefits.
- ▣ The company is entitled for duty drawback under the Customs Act, 1962 on exports made by it at the rates notified and the benefit of ROSCTL and RODTEP at the prescribed rates.



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II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders under the provisions of the GST Act, 2017

Notes:

The above statement of possible indirect tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences.



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SECTION V: ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is obtained or extracted from the independent report titled “Market Report on Textile and Apparel Industry” dated August 2022, prepared and released by Care and exclusively commissioned, and paid for by our Company. Care is not in any way related to our Company, our Directors or Promoters. This Care Report shall be part of the material documents available for inspection.

The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Unless otherwise specified, all references to a particular year refers to the calendar year.

ECONOMY OUTLOOK

1.1 Global economy outlook

As per the International Monetary Fund (IMF)’s World Economic Outlook growth projections released in July 2022, the world economy grew by 6.1% in CY21 majorly due to economic recovery and the lower base. For CY22, projection for global economic growth slashed to 3.2% citing disruptions due to the Russia-Ukraine conflict and higher-than-expected inflation worldwide. The IMF projects world economy growth between 2.9%-3.6% on year on year (Y-o-Y) basis for next 5 years.

IMF revises the GDP growth outlook projections downwards

For the major Advanced economies group, the revision in July 2022 growth outlook from previous outlook published in April 2022 is largely negative. One of the major countries from this group is United States. The baseline growth for United States is revised down by 1.4 percentage points and 1.3 percentage points in CY22 and CY23 respectively. This revision indicates significantly less momentum in private consumption and in part reflects the erosion of household purchasing power.

For the Emerging market and developing economies group as well, the revision in July 2022 outlook from the previous April 2022 outlook is broadly negative. This downgrade is primarily reflection of sharp slowdown of China’s economy and the moderation in India’s economic growth. With a 1.1 percentage point downgrade, growth outlook of China for CY22 is estimated to be 3.3%. This is the lowest growth in more than four decades, excluding the initial COVID-19 crisis in CY20. Shanghai, a major global supply chain hub, entered a strict lockdown in April 2022 due to worrisome surge in Covid-19 cases, forcing citywide economic activity to halt for about eight weeks. The worsening crisis in China’s property sector is also dragging down sales and real estate investment.

Table 1: GDP Growth Projections for key countries (Real GDP, Y-o-Y change in %)

Country	2021	2022P	2023P
World Output	6.1	3.2	2.9
Emerging Market & Developing Economies:			
India*	8.7	7.4	6.1
China	8.1	3.3	4.6
Advanced Economies:			
Canada	4.5	3.4	1.8
Japan	1.7	1.7	1.7
United States	5.7	2.3	1.0
United Kingdom	7.4	3.2	0.5

Notes:P-Projection

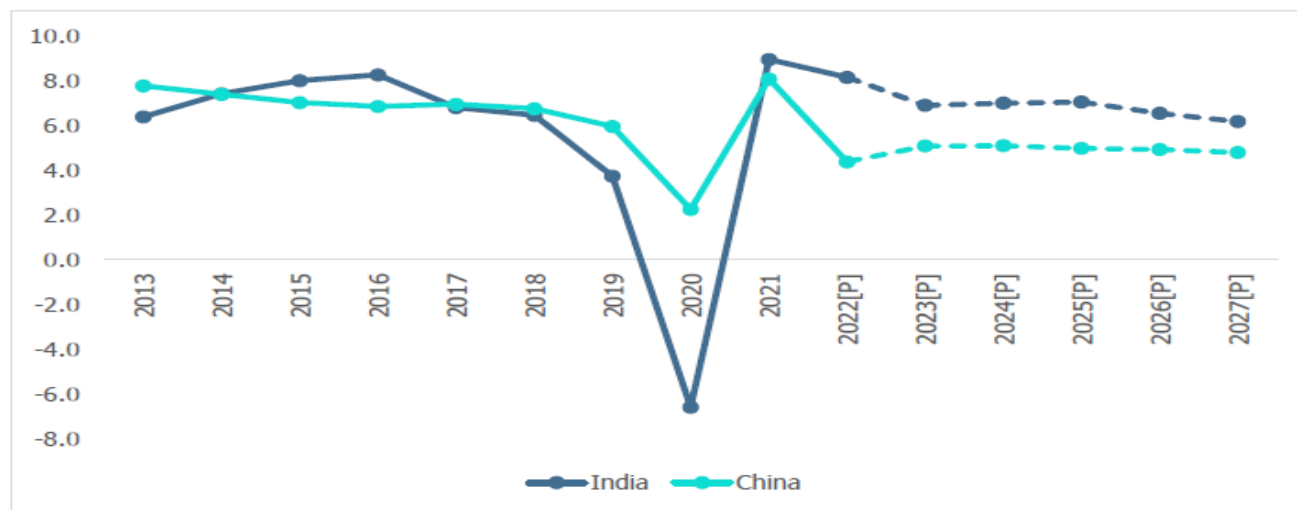
*For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at

¹ CY – Calendar Year

The estimates for India's GDP growth has been kept at 7.4% in CY22 while for CY23 the projection has been made of 6.1%. Compared to the previous outlook released in April 2022, these estimates are downgraded by 0.8 percentage point in both CY22 and CY23. This downgrade is majorly reflection of less favorable external conditions and more rapid policy tightening.

India to remain fastest growing economy transcending China

Despite of the turmoil in last two-three years, India bears good tidings for becoming USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices for India, the current GDP is estimated to be at USD 3.5 trillion for CY22 and projected to be at USD 5.5 trillion by CY27. The expected GDP growth rate of India for coming years is almost double as that of world economy.

Chart 1: GDP growth trend comparison - India and China (Real GDP, Y-o-Y change in %)

Projections; Source: IMF, World Economic Outlook Database (April 2022)

Besides this, India stands out as the fastest growing economy in the world. Outshining the growth rate of China, the Indian economy is expected to grow at more than 6% rate in the coming years CY23-CY27.

Indian economy is paving its way towards becoming largest economy in the world. Currently, India is the third largest economy globally in terms of Purchasing Power Parity (PPP) with ~7% share in global economy with China [~17%] on the top and United states [~15%] being second. Purchasing Power Parity is an economy performance indicator denoting price of an average basket of goods and services that a household needs for livelihood in each country. In spite of the pandemic and the geo-political tensions in Europe, India has been one of the major contributors to world economy growth.

1.2 Indian Economy Outlook

1.2.1 GDP growth and Outlook

Resilience to external shocks remains critical for near-term outlook

The FY21 started with the country being hit by the pandemic which saw lockdowns and restrictions being imposed across states. This impeded economic output in Q1FY21 and led to a year-on-year (y-o-y) decline of 23.8% in GDP. By the end of Q4FY21, the economy preceded the way to recovery. In broader sense, the pandemic resulted to 6.6% of negative growth for the FY21 for the economy.

The Indian economy bounced back strongly in Q1FY22 with 20.3% y-o-y growth due to low base. The easing of lockdowns and restrictions across states since June coupled with the decline in Covid-19 cases and higher vaccination rate facilitated higher economic activity at a faster than expected and this was reflected in the GDP for the Q2FY22 which grew annually by 8.5%. The dip in Q3FY22 of 5.4% can be attributed to fading base effect. India's economy recorded modest growth at 4.1% in Q4FY22, down from 5.4% in the previous quarter. The economy was hit by the third wave of Covid-19 during the quarter. Global supply bottlenecks due to the Russia-Ukraine dispute and higher input costs did slow the pace of recovery in the last quarter. Overall, in FY22, India is expected to have witnessed 8.7% growth.

For the FY23, the announcements in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure are expected to augment growth and crowd in private investment through large multiplier effects. However, heightened inflationary pressures and resultant policy tightening may pose risk to the growth potential.

GDP growth outlook

With improvement in demand for contact-intensive sectors and positive business and consumer sentiment, the discretionary spending and urban consumption can be expected to bolster economic growth. Along with growing government support and push towards capex, the investment activities can be foreseen to stay upright through improving bank credit and rising capacity utilization. On the other hand, elevated risks emanating from protracted geopolitical tensions, the upsurge in global financial market volatility and tightening global financial condition also weigh heavily on the growth outlook.

Taking all these factors into consideration, in August 2022, the RBI in its bi-monthly monetary policy meeting continued to retain its real GDP growth projection at 7.2% for FY23. In February 2022 outlook released by RBI, the real GDP for FY23 was pegged at 7.8% which later in April 2022 outlook was pared down to 7.2% and subsequently retained in June 2022 outlook.

1.2.2 Gross Value Added (GVA)

Gross value added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth has turned positive in FY22 (after a gap of two years) as a result of robust tax collections. Of the three major sector heads, service sector has been fastest growing in last 5 years.

- Agriculture sector was holding a growth momentum till FY18. In FY19, the acreage for rabi crop was marginally lower than last year which affected the agricultural performance. FY20 witnessed growth on account of improved production. During the pandemic, agriculture sector was largely insulated in FY21 as timely and proactive exemptions from covid-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. FY22 witnessed steady performance. Going forward, anticipation of a normal monsoon, coupled with high prices for agri products and subsidy support from the government, is expected to bode well for the sector.
- Industrial sector witnessed CAGR of 4.7% for the period FY16 to FY19. From the March 2020 month onwards, nation-wide lockdown due to the pandemic had significant impact on industrial activity. In FY20, this sector felt mild turbulence and recorded downfall of 1.4%. The FY21 witnessed 3.3% of decline as an adverse impact of covid-19. With opening up of economy and resumption in industrial activity FY22 registered 10.3% of growth which also has lower base effect.
- Services sector recorded CAGR of 7.1% for the period FY16 to FY20, which was led by trade, hotels, transport, communication and services related to broadcasting and finance, real estate & professional service. This sector had been hardest hit by the pandemic and registered 7.8% of decline in FY21. The easing of restrictions aided a fast rebound in this sector due to which FY22 registered 8.4% of growth.

Table 3 : Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

At constant Prices	FY17	FY18	FY19	FY20	FY21	FY22
Agriculture, forestry & fishing	6.8	6.6	2.1	5.5	3.3	3.0
Industry	7.7	5.9	5.3	-1.4	-3.3	10.3
Mining & quarrying	9.8	-5.6	-0.8	-1.5	-8.6	11.5
Manufacturing	7.9	7.5	5.4	-2.9	-0.6	9.9
Electricity, gas, water supply & other utility services	10.0	10.6	7.9	2.2	-3.6	7.5
Construction	5.9	5.2	6.5	1.2	-7.3	11.5

At constant Prices	FY17	FY18	FY19	FY20	FY21	FY22
Services	8.5	6.3	7.2	6.3	-7.8	8.4
Trade, hotels, transport, communication & broadcasting	7.7	10.3	7.2	5.9	-20.2	11.1
Financial, real estate & professional services	8.6	1.8	7.0	6.7	2.2	4.2
Public administration, defence and other services	9.3	8.3	7.5	6.3	-5.5	12.6
GVA at Basic Price	8.0	6.2	5.8	3.8	-4.8	8.1

Source: MOSPI

1.2.3 Industrial Growth

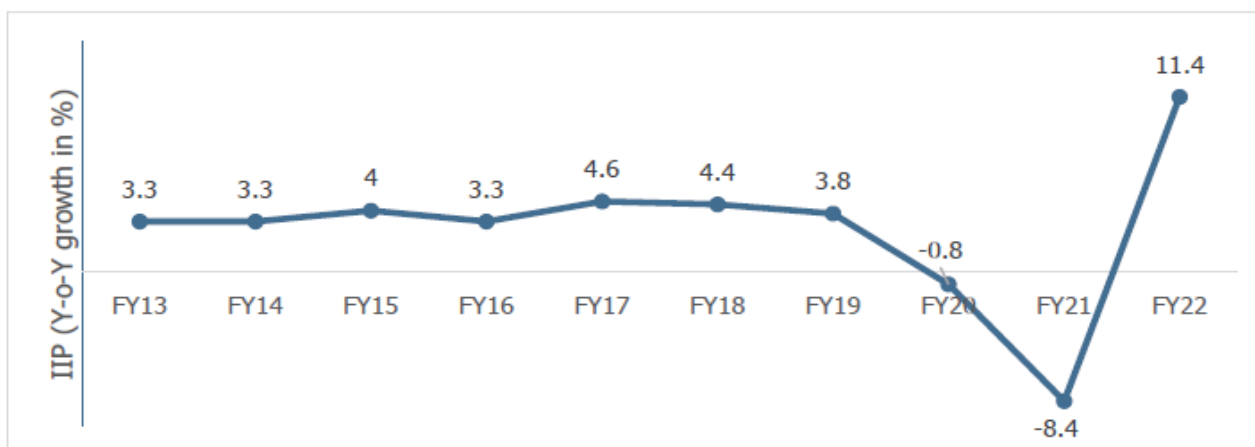
IIP indicating broad based recovery

Index of Industrial production (IIP) is an index to track manufacturing activity in an economy.

On a cumulative basis, IIP grew by 11.4% in FY22. However, this high growth is mainly backed by a low base of FY21. The FY22 IIP higher by 2.0% when compared with the pre-pandemic level of FY20, suggesting that while economic recovery is underway, it is still very nascent.

In June 2022, the IIP growth slowed to 12.3% from 19.6% in the previous month primarily due to some waning of the base-effect. The industrial activity continued to show recovery recording a growth of 6.7% when compared with the corresponding month of FY20 (the pre-pandemic year) aided by a broad-based growth across all sectors.

Chart 2: Y-o-Y growth in IIP (in %)



Source: MOSPI

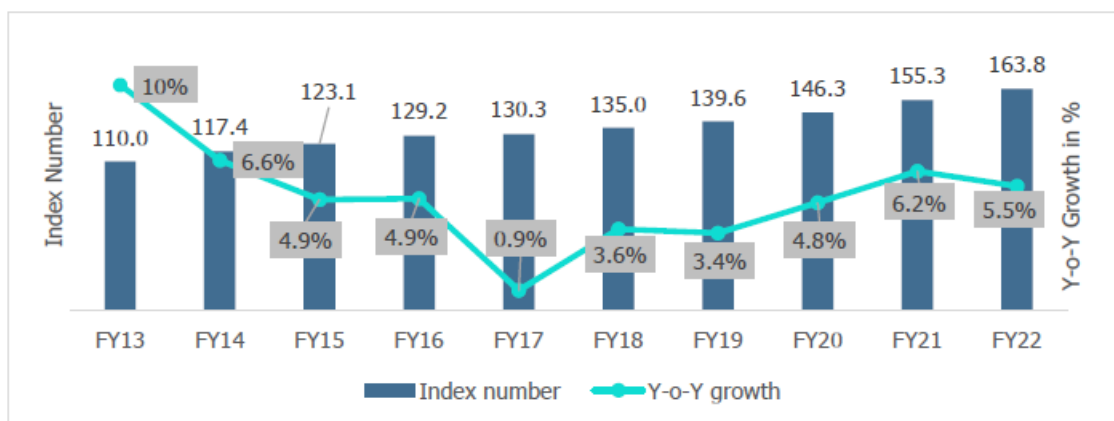
Healthy growth in credit offtake, gradual revival in the consumption sentiment, improving capacity utilization levels and strong government spending are some positives for industrial growth in FY23. However, downside risks are likely to persist owing to global growth slowdown and elevated input prices.

1.2.4 Consumer Price Index

CPI easing but continues to remain uncomfortably high

Inflation has reappeared as a global issue in both advanced and emerging economies. India's retail price inflation stood at 5.5% in FY22 which is within the targeted tolerance band of 6%. The consumer inflation started to upswing from the month October 2021 onwards. As per the monthly numbers, the inflation rate reached the tolerance level of 6% in January 2022. Following to this, the month of March 2022 registered 6.9% rate.

Chart 3: Retail Price Inflation in terms of index numbers and Y-o-Y Growth in % (Base: 2011-12 = 100)



Source: MOSPI

Consecutively, at the beginning of FY23 (April 2022 – June 2022) monthly inflation rate continued to remain above the RBI's tolerance level, surpassing even the band of 7%. However, the July 2022 month eased to lower rate of 6.7% which was primarily on account of a sequential decline in prices of vegetables, edible oils and protein items. Despite of this moderation, retail inflation remained well above the RBI's tolerance limit for the seventh month in a row.

The slight moderation in consumer inflation despite high food and services inflation is reflective of the combined efforts taken by the government and the RBI to rein in inflationary pressures. Healthy monsoon progress and kharif sowing remain crucial for containing food inflation. However, elevated global crude oil prices continue to pose risk for domestic inflation. The weakening of the rupee against the dollar poses a further threat of imported inflation. Considering these factors, at the bi-monthly meeting held in August 2022, RBI projected inflation to be at 6.7% for FY23. The RBI also made downward revision of Q2FY23 projections to 7.1% (earlier 7.4%) which gives some confirmatory signs that inflation has already peaked and some ease can be expected going forward.

RBI tightening the monetary policy to tame the inflation

The RBI hiked its policy repo rate by 50 basis points (bps) to 5.40% in a meeting on 5 August 2022. This was the another policy rate action after a hike of 50 bps made in previous meeting held in June 2022. The RBI maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate at 5.15% as the floor and the marginal standing facility (MSF) at the upper end of the band at 5.65%.

The central bank kept the reverse repo rate unchanged at 3.35% and also continued to maintain its stance as accommodative.

The consecutive rate hike by the RBI has come against the backdrop of intensifying inflationary pressures in the global and domestic economies. With the US dollar index appreciation to a two decade high in July 2022, both advanced economies and emerging economies witnessed weakening of their currencies against the US dollar. RBI foresee that this can feed into imported inflationary pressure. With domestic economic activities gaining traction, RBI has shifted gear to prioritize controlling inflation. The RBI continues to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

1.2.5 Concluding Remarks

Despite the global growth uncertainties, Indian economy is relatively better placed. The major headwinds to economic growth are escalating geopolitical tensions, elevated global commodity prices and shortages of key inputs. However, the bright spots for the economy are improving demand conditions, support from government capital expenditure and improving business confidence. Various high-frequency growth indicators including purchasing managers index, auto sales, bank credit, GST collections have shown improvement in the first few months of FY23.

Despite of high food and fuel inflation pressure, the normalizing employment situation after the opening up of economy is expected to improve and provide support to consumption expenditure.

Public investment is expected to exhibit healthy growth as the government has budgeted for a strong capital expenditure growth in FY23. The private sector's intent to invest is also showing improvement as per the data on new investment projects announced. However, the sharp rise in commodity prices and the economic uncertainties emanating from global turbulence is likely to slow down the pick-up in the private investment cycle.

Among sectors, the industrial segment is expected to be negatively impacted due to high input prices. Nonetheless, with flagship programmes like 'Make in India' and the Production Linked Incentive (PLI) schemes the government is continuing to provide the support to boost the industrial sector. Service sector are expected to see a bounce back in FY23 with a return to economic normalcy. However, in the services sector, some segments like Information Technology would feel the pinch of slowing in US economic growth.

OVERVIEW . ON INDIAN TEXTILE INDUSTRY

2.1 General Overview

Textile industry is one of the main pillars of the Indian Economy. The Indian textile industry stands out at global position, mainly due to unparalleled raw material base and high manufacturing strength. Being 6th largest exporter of textile in the world, the share of exports of textile and apparel including handicraft as to total export stood at a significant 11.4% in FY21.

Moreover, India contributes 4% of the global trade of textile and apparel. The textile industry includes – traditional hand-woven as well as capital intensive mill sector. Both these sectors provide huge employment opportunities

for millions in rural, semi urban and urban area. The traditional sectors of textile like handloom, handicrafts and small scale power-loom units provide direct-indirect source of livelihood for millions individuals including women and rural population.

India has advantage of the entire value chain for textile production present within the country vis-à-vis other competing nations.

From the sector development perspective, the government has been continuously providing focused support to increase the textile manufacturing by building best infrastructure for production, technological upgradation, enhancement of skills and traditional strength. The sector is well aligned with the key initiatives of Make in India, Skill India, Women Empowerment and Rural Youth Employment.

The textile industry contributes approximately 5% to India's GDP and 14% to overall Index of Industrial Production (IIP). The market size of Indian Textile industry in FY21 is estimated to be at USD 223 billion. The industry has potential to grow at 10% CAGR for coming next five years.

2.2 Key segments of textile industry

In broader sense, textile industry can be classified into two segments:

- Fibres and Yarn segment • Processed fabric Segment

Fibres and Yarn segment

Under this segment, ginning and spinning are two stages of processing. Ginning is the primary stage of processing where the raw material like cotton fibres are separated from cotton balls. Whereas, spinning is another stage of processing where the fibres are converted into yarn. The yarn, in turn, is used in the processes of weaving, knitting, and making made-ups and garments.

Fibres and Yarn are of mainly of two types – Natural and Manmade. Natural fibre includes cotton, wool, hemp and flax. Whereas, manmade fibres are synthetically produced using chemicals substances. The main varieties of synthetic fibres are polyester, acrylic, nylon and polypropylene. At present, the more popular fibres are the cotton blend natural fibre and man-made fibre. The production of man-made fibres were recorded as below:

Table 4: Production of man-made fibres ('000 tonnes)

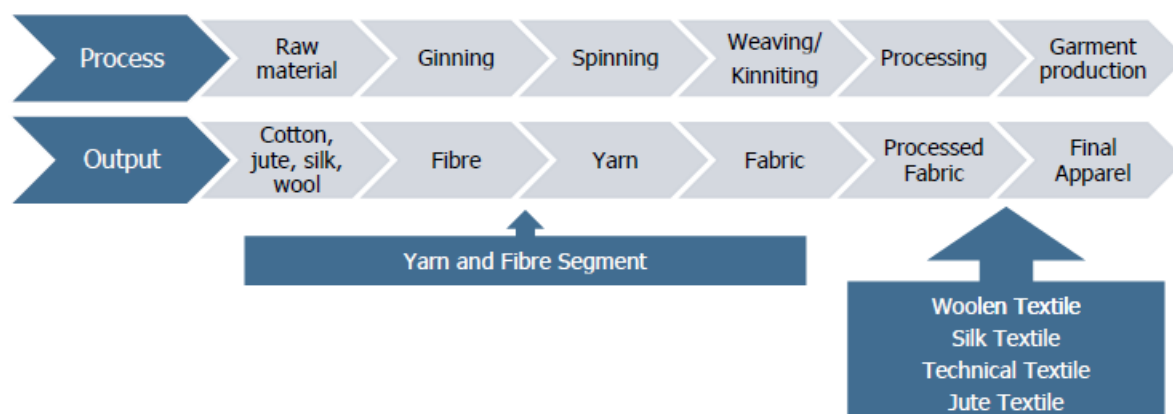
	FY20	FY21	FY22
Polyester spun yarn	413	345	422
Rayon/Viscose blended spun yarn	302	196	267
Acrylic yarn	41	30	36

Source: CMIE, CareEdge Research

Overall, FY22 witnessed notable growth when compared with FY21 on account of revival of demand. However, Rayon and Acrylic yarn are yet to surpass the pre-pandemic level.

Processed fabrics segment

This segment includes woollen textile, silk textile, jute textile, cotton textiles and technical textiles, readymade garments and apparel. The production of readymade garments and apparel from processed fabric is a final stage of textile production process.



OVERVIEW OF COTTON YARN MARKET

In India, cotton is metaphorically called as ‘White-Gold’ for its economic importance in the country. Cotton is one of the largest contributors to India’s net foreign exchange by way of exports. The exports made are in the form of raw cotton, intermediate products such as yarn and fabrics, and ultimately finished products in the form of garments.

India is one of the top two producers and consumers of cotton in the world and cotton forms an important segment of the overall textiles industry in India. The proportion of cotton is around 60% in raw material consumption basket of the Indian textile industry. The domestic cotton consumption is approximately 300 lacs bales (wherein, one bale equals to 170kg) per year which is approximately 20% of world cotton consumption off around 1500 lacs bales. With around 133 lakh hectares under cotton cultivation which is around 41% of the world area (320 lakh hectares), India stands first in cotton acreage.

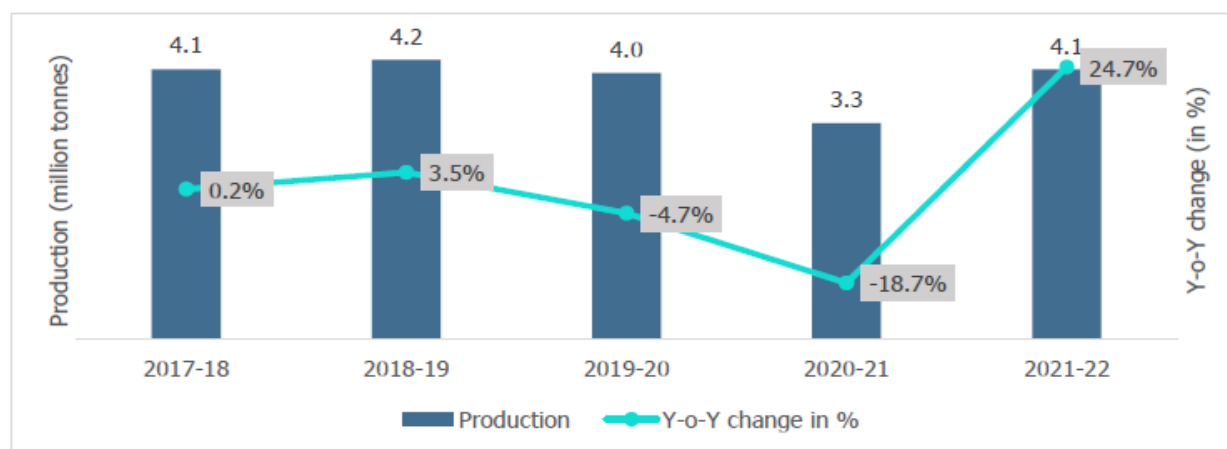
India has emerged as one of the largest producers, consumers and exporters of cotton in the World.

3.1 Production Scenario

Revival in domestic and exports demand led to increase in cotton yarn production

After the headwinds of the pandemic induced disruptions, Indian cotton industry has recovered substantially. The revival domestic demand can also be attributed to improved consumer sentiments and growing surge in export order. Along with this, the festival season and shift from work from home model to hybrid model opted by offices, demand for garments started to pick up. This eventually led to more demand of cotton which is a commonly used raw material for garment manufacturing.

Chart 4: Trend in production of cotton yarn



Source: CMIE, CareEdge Research

During FY22, the production of cotton yarn increased by 25 % to 4.1 million tonnes against 3.3 million tonnes in FY21 mainly due to continued demand momentum leading to a ramp up of utilizations at its peak. Further, with the reduced Chinese supply and also the China plus one strategy shifted the global demand towards India to an extent. The production for FY22 remained higher even when compared to pre-pandemic level.

Going forward, the production of cotton is likely to be supported by the export order owing to China plus one factor and favorable government policies in the near to medium term.

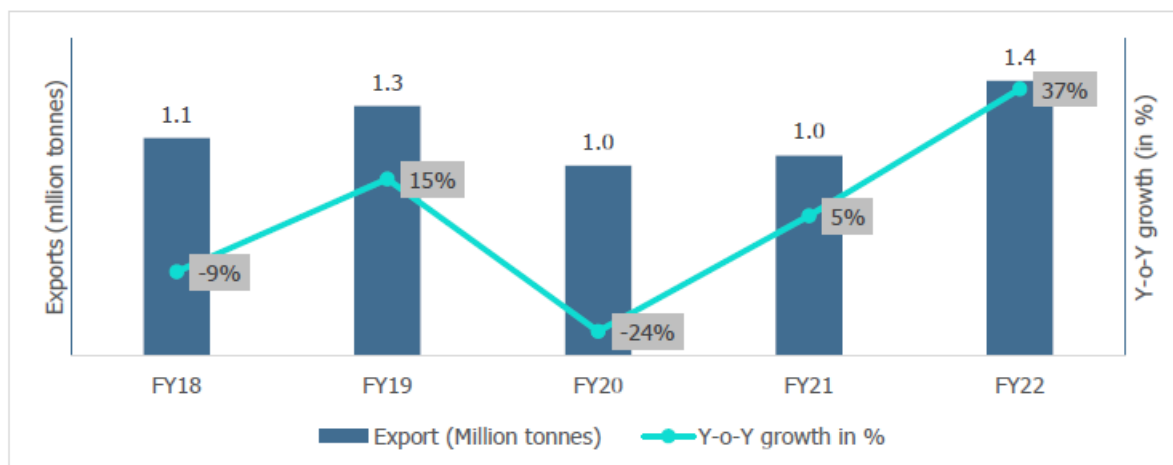
However, in Q1FY23, the small and medium spinners started cutting down operations due to increasing cotton prices. This led to 8% decline in cotton yarn production (905 thousand tonnes) during the Q1FY23 as compared to 983 thousand tonnes produced in Q1FY22. With growing concerns over increase in prices of cotton and inflation, the growth in production is likely to be moderated in FY23.

3.2 Exports Scenario

Ban on Xinjiang cotton products by USA coupled with China plus one trend, helped surge in exports originating from India

Exports that account for about 34% of the total cotton yarn production on average, surged 1.4 million tonnes primarily driven by a 143% spike in cotton yarn shipments to Bangladesh at 0.57 million tonnes during FY22. Thus, overall, FY22 witnessed 37% of increase in terms of quantity in cotton export. This growth can also be attributed to growing demand of readymade garments across the globe to which cotton is one of the prominent raw materials.

Chart 5: Trend in exports of cotton yarn

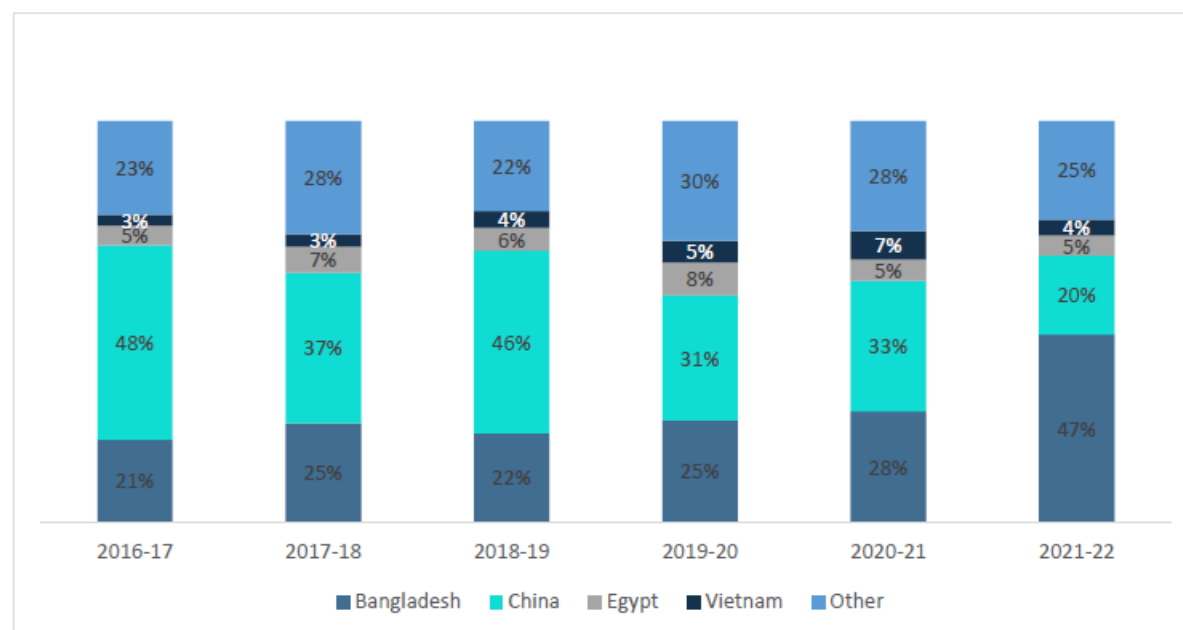


Source: CMIE, CareEdge Research

In January 2021, United States imposed ban on cotton originating from the Xinjiang region of China due to forced labor issue. The contribution of Xinjiang region in China's cotton production is significant. This region is home to approximately 85% of the total cotton produced in China and ~20% of the world's cotton. The fabric and apparel mills of China and countries other than China were majorly relied on Xinjiang cotton. With this ban, supply from China had declined.

Moreover, the China Plus One strategy shifted the global demand towards other countries, mainly India and Bangladesh. This has also benefitted Bangladesh's readymade garment industry as the orders that were earlier served by China were routed through other geographies like Bangladesh. Thus, in FY22 the demand for cotton yarn increased substantially from Bangladesh, which also surpassed China and became the biggest destination with Rs. 172 billion (47% share of total) of exports originating from India.

Chart 6: Export destination for Indian Cotton Yarn (% share to total)



Other includes – Portugal, Peru, Turkey, Korea Republic (south), Columbia, Guatemala, Sri Lanka, Germany, Italy, Japan ; Source: CMIE, CareEdge Research

3.3 Pricing trend

Domestic cotton prices reached all time high

During the last nine months (October 2021 - June 2022) of Cotton Season (CS) 2021-22, the domestic prices of (ginned) cotton S-6 and J-34, surged by 74.2% (average price of Rs.227 per kg) and spiked by 74.5% (average of Rs.208 per kg), respectively, during the period. This surge in prices is primarily on account of estimated lower supplies in CS 2021-22. Along with the recovery in demand, the farmers holding on inventory in anticipation of better price led the domestic price increase.

Table 5: Average prices of S-6 and J-34 cotton (Rs. per kg)

Product	Oct 2020 – June 2021	Oct 2021 – June 2022	y-o-y % change
S-6	130	227	74.2
J-34	119	208	74.5

Source: Textile excellence, CareEdge Research

The gap between domestic prices and international prices have been narrowing down, which eventually levelled up in the later part of march 2022. Domestic prices to be lower than the international price is significant to keep up with the competition in export market. As an effect of this, uptrend in exports from India is likely to witness moderation on account of resistance from international buyers due to increase in cotton prices.

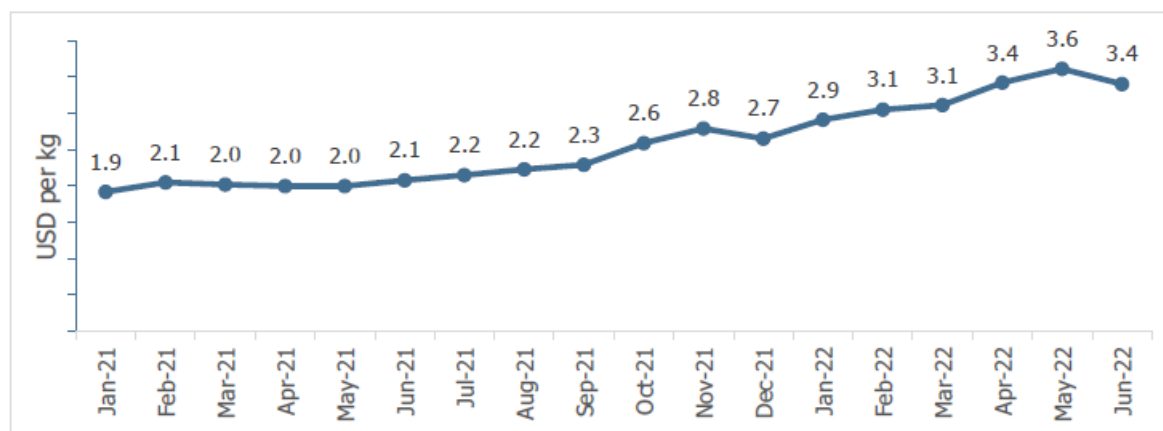
On the other side, Spun Yarn also witnessed rise in the domestic prices. Spun yarn is basically twisted or bonded series of fibers together, usually overlapped, to form a continuous thread of fibre. The prices of such spun yarn (40s combed) increased by 13% to Rs.283 per kg during the first quarter April-June 2022 of FY23. The growth in spun prices is on account of upsurge in cotton (as raw material) prices.

Table 6: Cotton yarn prices (Rs./kg)

Prices (Rs./Kg)	FY21	FY22	y-o-y % change	Apr-June FY22	Apr-June FY23	y-o-y % change
Spurn yarn 40s combed	229	271	18	250	283	13

Source: Textile excellence, CareEdge Research

The international cotton prices increased by on an average about 3.5% month-on-month between the period October 2020 to June 2022. This increase is primarily led by recovery in demand of downstream industry after lifting of lockdown related restrictions across the globe and the ban imposed by the United States on cotton and cotton related products manufactured in China. As the ban was imposed in January 2021, the cotton prices had crossed mark of USD 2 per kg in the month of February 2021. The cotton price remained above this mark for eighteen consecutive months.

Table 7: Trend in International prices of cotton (USD per kg)

Source: Cotlook A index, CareEdge Research

On cumulative basis, during the period October 2021 to June 2022, the international cotton prices (Cotlook A index) spurted by 60.0% and averaged at USD 3.1 per kg. However, the month of June 2022 witnessed some moderation in the cotton prices. In addition to this, any abnormal weather condition like prolonged rainless spell, above average temperature and draughts is likely to jeopardizing the prospects of the forthcoming cotton harvest which will have impact on cotton prices.

OVERVIEW OF READY-MADE GARMENT MARKET

The Readymade Garments (RMG) or apparel industry is the major segment of the overall textiles industry in India.

In garment production, India is one of the leading countries in manufacturer of garments. This industry is well organized and constitutes various stakeholders like designers, manufacturers, exporters, suppliers, wholesalers and retailers. The growth of ready-made garment industry is supported by rising disposable incomes and government policies creating several investment opportunities in India. With growing times, change in consumer preferences in terms of buying branded apparel drives constant innovation and makes RMG market continuously changing and dynamic. The change being witnessed can also be attributed to shifts in buying behavior, demographic dynamics, growing urbanization, opening up of retail segment to private and foreign players and changing lifestyles.

The RMG industry is closely associated with fashion industry. With emerging fashion consciousness, the consumption of RMG has also witnessed increase. To cater to this high potential segment, India has vast trained manpower with great combination of skill and diligence. Along way to the growth of this segment, employment opportunities in this segment has also been increasing to larger extent.

4.1 Key segments

In broader sense, the wearing apparel sector majorly comprises of segments as below:

Men's wear

Men's wear is the largest segment in the Indian apparel market. It Comprises of shirts, trousers, suits, t-shirts, fitness wear, undergarments and others. Under men's wear, shirts are the largest sub-segment. Shirts and trousers account for more than half the sales value while denim and fitness wear were the fastest growing sub-segments.

Women's wear

Under Women's wear category, ethnic is the largest sub-segment, while denim is the fastest growing sub-segment. The robust growth in this segment can be attributed to the rising income levels, rising number of working women and more college going females. Also, the changing consumer preference and easy availability of Ready-to-wear apparel in various colors, size and patterns, are the other drivers of demand in this segment.

Kids Wear

Lastly, kids wear is smallest but fastest growing segment. Under this segment, boy's wear is slightly larger sub-segment compared to girl's wear. The largest sub-segment under kid's wear is Uniforms. Denim is expected to be the fastest growing segment albeit on a smaller base.

The domestic apparel market can also be broadly divided by price into super premium, premium, medium, economy, and value segments. The medium price segment holds majority of the share among apparel segment followed by economy segment. The price sensitive rural population forms a major part of the value and economy price segments of apparel market. Further, driven by the twin trends of premiumisation and value consciousness, the mid-market segment is being squeezed on both sides by the value and the premium segments.

Demand for various apparel categories varies substantially across the country. The urban metro market comprising cities such as Delhi NCR, Mumbai, Bengaluru, Chennai, etc., is the biggest market for apparel in India and contributes over 20% to the Indian apparel market. The metros also witness huge penetration of women's western wear as compared to Tier -I or Tier -II cities of the country.

4.2 Production scenario

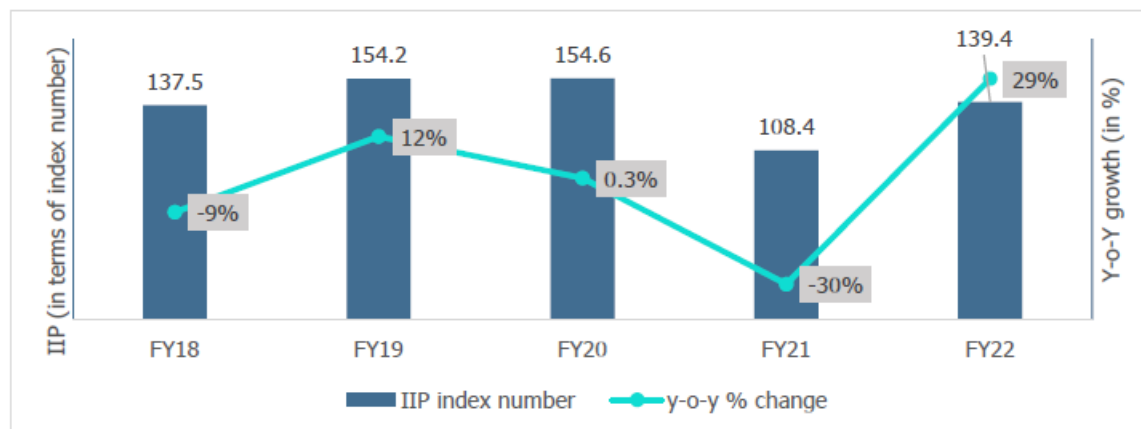
Domestic demand for RMG to remain healthy led by improved consumer sentiments

India is one of the top garment manufacturing countries in the world. After the pandemic, RMG segment has been steadily recovering. The manufacturing units are also expanding in terms of size and investments to meet the domestic as well as global demand. In India, apparel production is dominated by eight clusters, i.e., Tirupur, Ludhiana, Bangalore, Delhi NCR, Mumbai, Kolkata, Jaipur, and Indore. While Tirupur, Ludhiana and Kolkata are major centres for knitwear; Bangalore, NCR, Mumbai, Jaipur, and Indore are major centres for woven garments. Other key cities include Surat.

This expansion is backed by support of various government scheme enabling the growth of textile sector. In FY22, the RMG segment witnessed significant growth owing to the positive consumer sentiment post the pandemic. With resumption of work from office, consumer demand for discretionary products has been witnessing gradual revival.

The Index of Industrial Production (IIP) for wearing apparel increased 29% in F22. The output of apparel recovered in FY22 with the opening of schools, offices, etc. which was affected due to disruptions caused by pandemic in FY21. The industry also witnessed pent up demand accompanied with resilient festive demand and wedding-related purchases. The growth in production of RMG can also be attributed to increase in export due to high global consumer demand during the same period.

Chart 7: Index of Industrial Production (IIP) for wearing apparel



Source: MOSPI, CareEdge Research

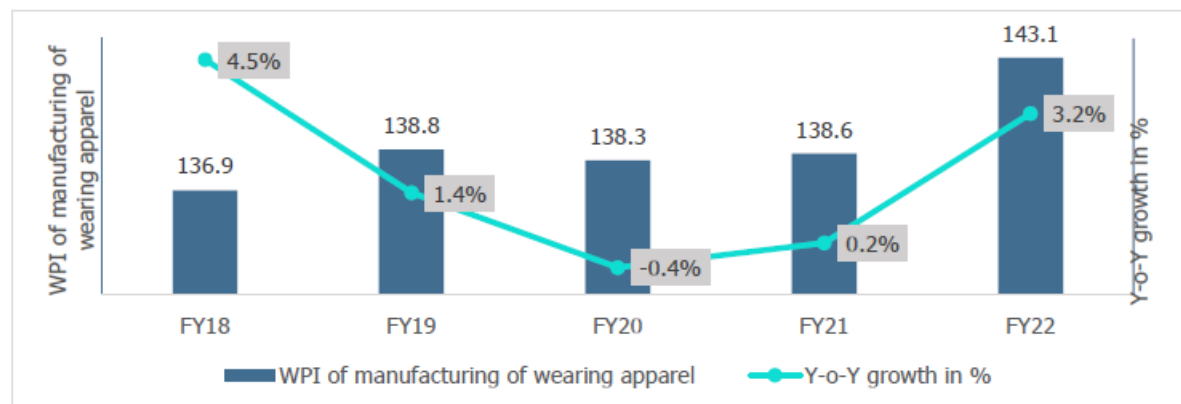
Amid the growth, increasing raw material prices most prominently cotton price are dampening the demand to a certain extent. Also, with inflationary scenario across the globe, spending on discretionary item is likely to be impacted. Despite this, IIP for wearing apparel registered 51% growth during the period April 2022-June 2022. This growth is primarily backed by a low base effect and a strong demand.

4.3 Price trends

Rising input costs putting pressure on apparel prices

In terms of prices, the Wholesale Price Index (WPI) of wearing apparel registered growth of 3% on y-o-y basis in FY22. Whereas, the period April 2022-July 2022 witnessed about 6% of increase compared to previous year's corresponding period. This increase is mainly on account of consistent price growth seen in inputs like cotton and polyester which is also accompanied by global inflationary concerns.

Chart 8: Trend in Wholesale Price Index (WPI) of wearing apparel



Source: Office of Economic Adviser, CareEdge Research

GOVERNMENT INITIATIVES

Government policies to support the growth momentum in the long run

The Indian Government has been implementing various policy initiatives and schemes for supporting the development of textile sector. These schemes and initiatives are created to promote technology upgradation, creation of infrastructure, skill development and sectoral development in the textile sector. Moreover, these initiatives focus on creating a conducive environment and provide enabling conditions for textile manufacturing in the country which will help in boosting the textile sector.

In the Union Budget 2022-23, the total allocation for the textile sector was Rs. 12,382 crores. In addition to this, the government announced various incentives/schemes towards increasing the global competitiveness of the Indian textile industry which includes the extension of Rebate of State and Central Taxes and Levies (RoSCTL), Remission of Duties and Taxes on Export Products (RoDTEP), Production Linked Incentive Scheme (PLI) and PM Mega Integrated Textile Region and Apparel (PM MITRA).

These schemes have given a boost to the capacity expansions by various textile players and form an integrated textiles value chain right from spinning, weaving, processing/dyeing, and printing of garments at one location leading to a reduction in operational and logistics costs of the players thereby increasing margins. The Government has also signed FTAs with UK and UAE to boost apparel export. In addition to this, the RoDTEP scheme has also been launched supporting the garments and apparel exporters' margins by export incentives.

Below is the detailed information on some of these schemes:

- **Production Linked Incentive (PLI) scheme**

The Government of India has introduced the Product Linked Incentive (PLI) scheme in textile products to enhance India's manufacturing capabilities and enhancing exports. The financial outlay of this scheme is Rs. 10,683 crores covering five years. The scheme has two parts:

Part-1) where minimum investment is INR 300 crore and minimum turnover required to be achieved for incentive is INR 600 crore;

Part-2) where minimum investment is of INR 100 crore and minimum turnover required to be achieved for incentive is INR 200 crore.

Out of 67 application received under this scheme for textile, 61 applications have already been approved as on April 2022. Out of these 61 proposals, seven are from foreign companies.

The objective of this scheme is to help increase India's share in the global man-made fibre and technical textiles sector.

- **Remission of Duties and Taxes on Exported Products (RoDTEP) scheme**

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was launched in the year 2020, with applicability from 1st January 2021. This scheme was enforced to repeal and reduce taxes for exported products and thereby increasing exports from the country.

The scheme's objective is to refund currently un-refunded duties and taxes. This scheme is available to eligible exporters at a notified rate as a percentage of Freight On Board (FOB) value. In addition to this, Rebate on certain export products will also be provided subject to value cap per unit of the exported product. RoDTEP is implemented by Customs through a simplified IT System.

RoDTEP covers 8555 tariff lines in addition to similar support being extended to apparel and made-ups exports under Rebate of State and Central Taxes and Levies (RoSCTL) scheme of Ministry of Textiles. Majorly, the Employment Oriented Sectors like Marine, Agriculture, Leather, Gems & Jewellery etc. are covered under the Scheme. Other sectors like Automobile, Plastics, Electrical / Electronics, Machinery etc. also get support of this scheme. Moreover, entire value chain of textiles also gets covered through RoDTEP & RoSCTL.

Amongst the various sectors, cotton-based textile products have received favourable rates under RoDTEP in the range of 3.8%-4.3% as compared to around 2% rate under MEIS although there is a cap on the maximum benefit available under RoDTEP.

- **Comprehensive Economic Partnership Agreement (CEPA)**

The Comprehensive Economic Partnership Agreement (CEPA) agreement was signed between the two nations India and United Arabs Emirates (UAE) on 18 February, 2022. It is India's complete free trade agreement signed with any countries in a decade. CEPA was operationalised on 01 May, 2022.

Overall, India is going to benefit from preferential market access provided by the UAE on over 97 % of its tariff lines which account for 99% of Indian exports to the UAE in value terms particularly from labour-intensive sectors such as Gems and Jewellery, Textiles, leather, footwear, sports goods, plastics, furniture, agricultural and wood products, engineering products, pharmaceuticals, medical devices, and Automobiles. As regards trade in services, Indian service providers will have enhanced access to around 111 sub-sectors from the 11 broad service sectors.

CEPA is expected to increase the total value of bilateral trade in goods to over USD 100 billion and trade in services to over USD 15 billion within five years. In coming years, this agreement will significantly increase export of apparels and textile products to UAE.

BUSINESS OVERVIEW

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the chapter **“Forward-Looking Statements”** on page 14 of this Draft Prospectus for a discussion of the risks and uncertainties related to those statements and the section **“Risk Factors”** on page 23 of this Draft Prospectus for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Draft Prospectus on page 178 of this Draft Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Prospectus, all references to **“we”**, **“us”**, **“our”** and **“our Company”** are to **“S.A. Aanandan Mill Limited”**.

COMPANY BACKGROUND

Our Company was originally incorporated as a private limited company in name and style of S.A.Aanandan Spinning Mills Private Limited under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 23, 1996 bearing Registration Number 18-36146 issued by Registrar of Companies, Tamil Nadu. Subsequently our Company was converted into a public limited company vide Fresh Certificate of Incorporation dated May 31, 2022 and the name of the Company was changed to S.A. Aanandan Spinning Mills Limited. Subsequently the name of our Company was changed to S.A. Aanandan Mill Limited vide Fresh Certificate of Incorporation dated August 05, 2022. U17116TN1996PLC036146.

Our Company is registered with the Registrar of Companies, Tamil Nadu located at the following address: 100, Srivilliputhur Road, Padikasuvaithanpatti Village, Mamsapuram, Rajapalayam Virudhunagar Tamil Nadu-626110, India.

Our business model is a diverse mix of manufacturing of cotton yarn & cotton blended yarn; and retail & wholesale of textiles and readymade clothing. Over the years we have been able to build our presence in India and overseas in the cotton yarn market and in the retail space within the geographical location of Chittoor, Andhra Pradesh.

We currently classify our business under the following 3 (three) verticals:

Manufacturing (“Manufacturing Vertical”): We manufacture cotton yarn and cotton blended yarn of various counts, which includes combed, semi combed, carded and blended yarn at our manufacturing facility located at 100, Srivilliputtur Road, Mamsapuram Village, Padikasuvaithanpatti, Srivilliputtur Taluk, Virudhunagar District Tamil Nadu 626110 (**“Manufacturing Facility”**) and our three other facilities which we use for post spinning process (**“Post Spinning Process Facilities”**). Our Manufacturing Facility along with our Post Spinning Process Facilities (together the **“Manufacturing Facilities”**) are spread over an area of 69,6918.45 sq. ft. located in and around Rajapalayam, Virudhunagar (Dist), Tamil Nadu, India. Our Facilities are strategically located in Rajapalayam which is at a distance of 80 kms from Madurai, Rajapalayam is the known as textile hub and thereby provide us with strategic and operational advantages. As of four-month period ended July 31, 2022, our Manufacturing Facility has an aggregate of 21,264 spindles with an annual installed capacity to manufacture 3600 TPA of cotton yarn and cotton blended yarn. During the four-month period ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, our Company produced 1042.86 MT, 3405.08 TPA, 2835.26 TPA and 2270.77 TPA of cotton yarn and cotton blended yarn respectively (*Certified by Grandmark & Associates, Statutory Auditor vide its certificate dated January 03, 2023*). Our Manufacturing Facility is well equipped with modern machineries capable of providing desired quality products. Our Manufacturing Facility has procured quality control certifications from various agencies. Our Company is provisionally approved in the social audit conducted by one of the global textile leaders, which we believe would enable our Company to start supplying to their approved vendors. Our Company also maintain a depot at Kolkata, West Bengal which we use for storage of our products for the purpose of catering to our north eastern customers.

Retail (“Retail business vertical”): Our Company retails wide portfolio of textile, readymade clothing and ethnic wear for men, women and children across multiple third-party brands through our retail textile stores i.e. Ananda Textile & Readymades (“**Retail Store 1**”) and Ananda Lifestyle (“**Retail Store 2**”) in Chittoor, Andhra Pradesh (collectively “**MBOs**”). Our MBOs are multi storied and spread over an area of about 11,110 sq. ft., with dedicated product category at each floor level. Our MBOs are a one-stop-destination with a wide spectrum of product categories that includes sarees, dress materials, suiting’s & shirting’s, readymade garments, office wear and celebration wear. The layout of our MBOs can be summarized as under:

Layout	Ananda Textile & Readymades (“ATR”) (Retail Store 1)		Ananda Lifestyle (“ALS”) (Retail Store 2)	
	Area (in Sq. Ft.)	Product Category	Area (in Sq. Ft.)	Product Category
Ground Floor	2070	Sarees, Blouse, Dhothis, Inskirt, Home Textiles Ground floor also houses the DG Sets	1250	Sarees, Blouse, Inskirt,
First Floor	2070	Shirting, Suiting, Chudidhar, Tops, Midi, Frock, Baba Suit, Inners	1250	Dhothis, Shirting, Suiting, Chudidhar, Tops, Inners, Home Textiles
Second Floor	1886	Men’s Wear, Boys Wear	1250	Baba Suit, Boys Wear, Midi, Frock
Third Floor	-	-	1250	Men’s Wear
Fourth Floor	-	-	84	DG Set & Transformer
Total	6026		5084	

Wholesale (“Wholesale business vertical”): We are also engaged in the wholesale cash & carry business of textile, readymade clothing and ethnic wear for men, women and children across multiple brands, where we supply products to single shop retailers, hawkers, street vendors and small shops in villages in and around the district of Chittoor, Andhra Pradesh regions. Our wholesale store i.e. Ananda Wholesale is multi storied and spread over an area of 9402 sq. ft.. Our wholesale store offers a one-stop-destination with a wide spectrum of product categories that includes sarees, dress materials, suiting’s & shirting’s, readymade garments, office wear and celebration wear. Our wholesale store layout can be summarized as under:

Layout	Wholesale Store (Ananda Wholesale)	
	Area (in Sq. Ft.)	Product Category
Basement	2044	Inskirt, Nighty, Blouse Than, Blouse Bits.
Ground Floor	1222	Sarees
First Floor	1534	Sarees
Second Floor	1534	Fancy Sarees, Dhothis, Lungis, Towels, T-shirts.
Third Floor	1534	Shirting Than, Suiting Than, Inners, Tops.
Fourth Floor	1534	Mens’, Girls’ Wear, Frock, Midi.
Total	9402	

We believe that we are an environmentally conscious Company, and we encourage the use of renewable resources. As of July 31, 2022, our Company had installed a 330 Kw Enercon made Wind Turbine at Dharapuram, Tamil Nadu. Further, our Company has entered into a group captive power arrangement with Ushdev Engitech Private Limited whereby we get electricity at negotiated rates. The energy generated from our wind mill is adjusted against the power consumed by our Company under the net metering arrangement with the TANGEDCO. For the Financial Year 2021-22, 56.50% of the energy consumed is derived from renewable resources. We also manufacture products from recycled materials. Our manufacturing plant and processes are certified by global certification agencies. For further information, see the chapter titled “**Government and other Statutory Approvals**” beginning on page 223 of this Draft Prospectus.

Our Company is promoted by Anandan Ilavarasu, who has extensive experience in the textile industry and has over three decades of experience in the field of textile. He oversees the development of our business and is actively involved in the critical aspects of our business i.e., business strategic planning, product marketing, team management, channel expertise and competitive analysis. We believe that our Promoters' relationships with our suppliers, customers and other industry participants have been instrumental in implementing our growth strategies. Our Promoter, Anandan Ilavarasu is also the founder President of Rajapalayam Spinners Forum and a member of the governing council of (a) South India Mills Association (SIMA); and (b) Madurai Spinners Association; and a member of Indian Management Association and also, a special invitee to meetings of governing council of TEXPROCIL.

We are also led by qualified and experienced senior management team who have demonstrated their ability to anticipate and capitalize on changing market trends, manage and grow our operations, adapt and diversify our offerings and leverage market opportunities. For further details, see “**Our Management**” on page 152 of this Draft Prospectus.

Financial Performance of our Company

We have a strong track record of revenue growth and profitability. The following table sets forth certain key performance indicators for the periods indicated:

(₹ In Lakhs)

Particulars	Four-month period ended July 31, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Revenue from Operations	5627.59	16529.29	13860.59	13566.28
Manufacturing	4788.17	13662.71	11361.65	11272.35
Trading of Goods	693.00	2095.92	2419.55	2185.41
Other operating income	146.42	770.66	79.39	108.52
EBITDA⁽¹⁾	605.66	1958.15	1362.27	368.08
EBITDA Margin⁽²⁾	10.59%	11.71%	9.81%	2.71%
Restated Profit After Tax for the Year	362.59	1110.06	459.59	-517.66
PAT Margin⁽³⁾	6.34%	6.64%	3.31%	-3.81%
ROE⁽⁴⁾	13.67%	48.47%	38.94%	-32.85%
ROCE⁽⁵⁾	10.06%	29.90%	16.64%	-0.73%
Inventory Turnover Ratio⁽⁶⁾ (in days)	125.15	127.69	126.29	123.61

Notes:

1. EBITDA is calculated as restated profit after tax for the year, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income.
2. EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
3. PAT Margin is calculated as restated profit after tax for the year as a percentage of revenue from operations.
4. ROE is calculated as restated profit after tax for the year divided by total equity.
5. ROCE is calculated as EBIT divided by Capital Employed.
6. Inventory Turnover Ratio is calculated as cost of goods sold divided by average inventory. Cost of goods sold is aggregate of purchases and changes in inventories of stock in trade during the relevant period.

For further information, please refer section titled “**Restated Financial Statement**” on page 178 of this Draft Prospectus.

Our Company has been recognized as a “Two Star Export House” by the Director General of Foreign Trade with a certificate valid from March 11, 2022 to March 11, 2027. Our Company exports its product in more than 15 international market such as Bangladesh, Srilanka, Thailand, China, Japan, Germany, USA, Turkey amongst others.

Geography wise revenue breakup

(₹ In Lakhs)

Particulars	Four-month period ended July 31, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Manufacturing				
<i>Export Sales</i>	2196.41	7,827.40	4,325.64	4,703.52
<i>Domestic Sales</i>	2591.75	5,835.31	7,036.01	8,448.90
Retail & Wholesale	693.01	2095.92	2419.55	305.34
Other Operating Income	146.42	770.66	79.39	108.52
Revenue from operations	5627.59	16529.29	13860.59	13566.28

Our Competitive Strengths

Wide range of products catering to all occasions across age groups and market segments resulting in strong customer loyalty

Across the various third-party brands that we offer in our MBOs (Ananda Textile & Readymades and Ananda Lifestyle), we are a one-stop-destination with a wide spectrum of product categories that includes sarees, dress materials, suiting's & shirting's, readymade garments, office wear and celebration wear. We believe that our brand *Ananda* is synonymous as a family retailer catering to the clothing needs of men, women and children for different occasions, including casual and formal events with product offerings that meets style, quality, comfort and affordability. Our wide range of product category allows us to operate across the economy, with our primary focus being on low- and mid-income customer segments. We offer our customers a wide product range across multiple categories, brands, price points to ensure that our customers have range of product options to choose from and is able to make the value buy decision. We strive to ensure that the latest design is available in our MBOs. Based on our demographic analysis, we decide the product mix which is to be offered by our MBOs to cater to our customer preferences, demands and trends. We classify our products internally into broad categories viz., Sarees and Dress Materials, Suiting and Shirting, Readymade Apparels and Home Textiles.

We use our understanding of the region to customise our product assortment keeping in mind local demands and preferences. We believe our stores offer our customers a comprehensive, distinctive and convenient shopping experience similar to a retail mall which enables us to showcase a wide range of products of varied brands and price ranges under one roof, thereby offering one-stop-solution to the needs of our existing and prospective customers. We believe our customised product assortment and comprehensive product portfolio enables us to achieve better visibility, brand recognition, deeper market penetration and increased customer base.

The table below sets forth certain information on our total store product sales for the periods indicated:

Key metrics	Four-month period ended July 31, 2022		As on March 31, 2022		As on March 31, 2021		As on March 31, 2020	
	Amount	% of Total Store Product Sales	Amount (₹ Lakhs)	% of Total Store Product Sales	Amount (₹ Lakhs)	% of Total Store Product Sales	Amount (₹ Lakhs)	% of Total Store Product Sales
Average Revenue by Invoice								
ATR -Sales	459.27	66.44%	1323.03	65.80%	1141.34	64.03%	1330.87	67.28%

Key metrics	Four-month period ended July 31, 2022		As on March 31, 2022		As on March 31, 2021		As on March 31, 2020	
	Amount	% of Total Store Product Sales	Amount (₹ Lakhs)	% of Total Store Product Sales	Amount (₹ Lakhs)	% of Total Store Product Sales	Amount (₹ Lakhs)	% of Total Store Product Sales
(₹ Lakhs)								
ATR - No. of Invoices	48652	94.44%	147120	95.78%	116900	95.01%	141840	95.88%
ATR - Average revenue per invoice	944.00	-	899.00	-	976.00	-	938.00	-
ALS - Sales (₹ Lakhs)	156.85	22.76%	489.26	24.33%	417.55	23.42%	418.98	21.18%
ALS - No. of Invoices	13709	26.61%	33750	21.97%	32736	26.61%	38616	26.10%
ALS - Average revenue per invoice	1144	-	1450	-	1276	-	1085	-
ATW - Sales (₹ Lakhs)	73.08	10.60%	198.48	9.87%	223.73	12.55%	228.25	11.54%
ATW - No. of Invoices	1719	3.34%	5040	3.28%	4860	3.95%	5016	3.39%
ATW - Average revenue per invoice	4251	-	3938	-	4604	-	4550	-
Total Sales (₹ Lakhs)	689.20	100%	2,010.77	100%	1,782.62	100%	1,978.10	100%
Total No. of invoices	51515	100%	153610	100%	123036	100%	147941	100%
Revenue per Sq. ft.								
ATR (Sq.ft.)	6026		5175		5175		5175	
ALS (Sq.ft.)	5084		5084		5084		5084	
ATW (Sq.ft.)	9402		3922		3922		3922	
Total	20512		14181		14181		14181	
Total revenue from traded goods (in ₹)	689.20		2,010.77		1,782.62		1,978.10	
Revenue per Sq. ft. (in ₹)	3360.09		14179.34		12507.49		13948.97	

For the four-month period ended July 31, 2022 our revenue from traded goods was ₹ 689.20 Lakhs and revenue by product categories i.e. Sarees and Dress Materials, Suiting and Shirting, Readymade clothing, Home Textiles and miscellaneous is ₹ 284.49 Lakhs, ₹74.51 Lakhs, ₹ 287.28 Lakhs, ₹ 38.46 Lakhs and ₹ 4.47 Lakhs, respectively.

Experienced Promoter and Senior Management Team

We believe that our Promoter is the guiding force behind the success of our Company. His industry knowledge and understanding are a key competitive advantage enabling us to expand our geographical and customer presence in existing and as well as target markets while exploring new growth avenues and more importantly surviving and sustaining during the toughest times when the textile industry went through its worst-ever phase. The experience of our Promoter in the textile sector is supplemented by our senior management team. We believe that our senior management team's in-depth understanding of target markets and client demand and preferences have enabled us to grow our business and expand our operations. Their understanding of Industry trends, demands and market

changes, have enabled us to adapt and diversify our offerings and leverage market opportunities. For further information on our management team, see “***Our Management***” on page 152 of this Draft Prospectus.

Modern Process and Technology

The Company continues to invest significant resources in technological capabilities and in the process, has developed a scalable technology system. The Company uses processes and technology to continuously improve its business and to cater the need of. Supported by modern facilities and processes, the Company’s machinery is in tune with the latest technology and comparable to the best in the industry.

Locational Advantage

The Company’s manufacturing facilities are located at Rajapalayam, situated near Madurai in the state of Tamil Nadu. Rajapalayam is a Textile Hub located at a distance of 80 Kms from Madurai, and is home to numerous textile mills. Availability of skilled technicians & labour, connectivity of airport (Madurai Airport) and seaport (Tuticorin Port), availability of spares etc., are some of the locational advantages which the Company enjoys.

Our MBOs and Wholesale store is situated at Chittoor, Andhra Pradesh. Chittoor is spread over an area of 6859 sq. kms. with a total population of 18,73,000. Chittoor district is rich in minerals and is an agricultural bases economy (*source: <https://chittoor.ap.gov.in>*). The location has large working-class population which forms our major customer base.

Quality and Customer Satisfaction

Quality, Variety and Customer Satisfaction have been the Company’s key to success. The Company caters to various customers both in the domestic and overseas markets and it is the quality standards and delivery schedules maintained by the Company which has earned the loyalty of its customers. Most of the trades in the textile industry happen through agents and the Yarn agents invariably recommend the Company’s yarn to their customers and the customers unhesitatingly place orders for the Company’s yarn mainly on account of the quality standards and adherence to delivery schedules, albeit the fact that the Company’s yarn is marginally costlier as compared to other yarn manufactured by its competitors.

Diversified customer base

In our Manufacturing vertical, our Company has strong customer base in both domestic and export markets. Over a period of time, our Company has built-up a track record of manufacturing and marketing quality products with ensuring timely completion of orders. Our long-standing relationship with our customers to whom we supply the products manufactured in the facilities of our Company is a testimonial for the quality of our products.

As on July 31, 2022, we had raised invoice on more than 150 customers in our Manufacturing business vertical and the share of the top 10 customers and the top 5 customers in the total revenue was 47.36% and 33.87%, respectively. For the four-month period ended on July 31, 2022, we supplied to customers spanning 7 countries which has offered us insulation from business risk since the customers are from diverse geographies. Our diversified customer base also aids in reducing our dependence on a single group of geographies and helps in mitigating the effect of economic and industry-specific cycles.

Further, in our Retail business vertical we have a large customer base with an aggregate invoice of 49,796, 148,570, 1,18,176 and 142,925 for the four-month period ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, respectively.

Diversification into Organic and Sustainable Eco-Friendly Textiles

Our Company has been granted authorization according to STANDARD 100 by OEKO-TEX® to use the STANDARD 100 by OEKO-TEX® for Raw Yarns made of 100% Cotton, Combed, Carded, Open Ended and Compact and for Greige Woven Fabric made of 100% Cotton exclusively produced from material certified according to STANDARD 100 by OEKO-TEX®. Additionally, our Company has got our Unit 1 certified under Global Organic Textile Standard (GOTS) version 6 for 100% Organic cotton yarn and greige fabric. Similarly, our Company has got certified our Unit 1 under Global Recycled Standard (GRS) version 4. The focus of the Company on organic and sustainable products will help in expanding its business globally as the demand of organic textile

products is increasing globally. Further, our Company also complies with the U.S. Cotton Trust Protocol, which certifies transparent and traceability of source of the raw material.

Strong track record of growth and profitability and financial discipline

We believe that our focus on operational and functional efficiency and excellence has contributed to our track record of healthy financial performance. The following table sets forth certain key performance indicators for the periods indicated:

(₹ in Lakhs)

Particulars	Four-month period ended July 31, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Revenue from Operations	5627.59	16529.29	13860.59	13566.28
<i>Manufacturing</i>	4788.17	13662.71	11361.65	11272.35
<i>Trading of Goods</i>	693.00	2095.92	2419.55	2185.41
Other operating income	146.42	770.66	79.39	108.52
Gross Margin ⁽¹⁾				
Gross Margin (%)				
EBITDA ⁽²⁾	605.66	1958.15	1362.27	368.08
EBITDA Margin ⁽³⁾	10.59%	11.71%	9.81%	2.71%
Restated Profit After Tax for the Year	362.59	1110.06	459.59	-517.66
PAT Margin ⁽⁴⁾	6.34%	6.64%	3.31%	-3.81%
ROE ⁽⁵⁾	13.67%	48.47%	38.94%	-32.85%
ROCE ⁽⁶⁾	10.06%	29.90%	16.64%	-0.73%
Inventory Turnover Ratio⁽⁶⁾ (in days)	125.15	127.69	126.29	123.61

Notes:

1. EBITDA is calculated as restated profit after tax for the year, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income.
2. EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
3. PAT Margin is calculated as restated profit after tax for the year as a percentage of revenue from operations.
4. ROE is calculated as restated profit after tax for the year divided by total equity.
5. ROCE is calculated as EBIT divided by Capital Employed.
6. Inventory Turnover Ratio is calculated as cost of goods sold divided by average inventory. Cost of goods sold is aggregate of purchases and changes in inventories of stock in trade during the relevant period.

For further information, please refer section titled “**Restated Financial Statement**” on page 178 of this Draft Prospectus.

We have experienced increased profit margins on our products. We believe that our strong financial performance reflects the efficacy of the manufacturing, supply-chain management protocols, products offerings and selection that we have implemented. Our operating cash flows enable us to meet the present and future needs of our customers and develop new value-added products. We have also significantly invested in the capacity building by incurring capital expenditures over the years. We further believe that this aids us in strengthening our trust and engagement with our customers and which further enhances our ability to retain these customers and extend our engagement across products and geographies.

Our Strategy

Expand our retail footprint in Chennai through our New Store and other jurisdiction

As on the date of this Draft Prospectus, our Retail Business has significant presence only in Chittoor and we intend to leverage our experience to expand our operations by opening a new outlet in Chennai. By using our product quality and customer engagement, we hope to increase our footprint and scale of operations. As part of our efforts to open new store we have analysed the market conditions in terms of competition, tastes & preferences of customers vis-à-vis the location and expected scale of operations. After establishing success in Chittoor, our proposed showroom in Chennai will be a paradigm shift in our retail business with focus on upper middle and high income customer segment.

Our Company has long-term plans to expand its retail business. We anticipate that such expansion will further increase our profitability and revenue from operations in future. Over the years, our Company plans to strengthen its retail business by establishing its footprint in all major cities in South India and going forward, the retail business will play a significant role in our Company's growth prospects.

Increase our manufacturing capabilities

Our Company has a monthly production capacity to manufacture 300,000 kgs of Cotton Yarn. Our Company believes that our Manufacturing Facilities are fully integrated with equipments and also believes, in upgrading its facility with the changing technology and in this process, continuously engages in replacement of some of the existing machinery and installation of balancing equipment to improve productivity, quality and operational efficiency. The last modernization program was undertaken in the year 2018. The equipment in our facility has been designed and supplied by few of the domestic and globally renowned players in the yarn industry and has been designed to handle high number of SKUs so as to service made to order products as well as high value-added products. The process automation and technology help in reduction of labour dependency and brings in more efficiency. Further, the data driven decision making helps in timely management of production resulting in higher profitability.

Entering into new geographies

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country and also around the world. We propose to increase our marketing and sales team which can focus on different geographies and also maintain and establish relationship with customers. Enhancing our presence in additional geographies will enable us to reach out to larger population. Further, our Company believes in maintaining long term relationships with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovation, quality assurance, timely delivery, and reliability of our products.

Increase our dependency on renewable energy

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 four months ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, our power and fuel expenses were 4.65%, 5.15%, 4.32%, and 4.60% respectively of our total expenses. We source the power requirements for our manufacturing facility mainly from state electricity boards, captive Power user arrangement, Indian Energy Exchange (IEX) and own Windmill. As on July 31, 2022 power from renewable energy contributes 79.17% of our total power requirements. We intend to expand our dependency on renewable energy like solar energy, wind energy and other non-conventional source of power by Fiscal 2025.

The introduction of such measures is intended to improve our cost efficiency and simultaneously upgrading the quality of our products while using sustainable practices.

Strengthening our business through effective branding, promotional and marketing activities

We intend to promote our brand "Aanandan" through different marketing channels to increase our brand visibility and recall. Our New Store launch would require significant investment, planning and promotion through

advertisements in local newspapers, magazines, television, social media, print media and other publications and engaging in brand association. As our business requires us to reach out to our target customers as well as retailers, the effort and the exercise around product development is challenging and requires significant time and effort to ensure reach to our target customers and dealers. We also intend to strengthen our existing brand building activities such as retail branding, web marketing, magazine advertising and outdoor advertising for marketing our products. We also engage in digital marketing efforts in order to target customers. We believe that growth in our products segment will lead to growth of our revenues and profitability. For the four-month ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, our advertising expenses were ₹ 4.53 Lakhs, ₹ 8.09 Lakhs, ₹ 9.26 Lakhs and ₹14.13 Lakhs, respectively.

Enhance value addition in existing products and development of new products.

Our strategy is to provide our customers with a comprehensive range of products at value for money prices. We will continue to focus on optimal product assortment in each cluster of our operation keeping in mind the local needs and preferences. We will continue to introduce new products depending on customer needs across our diversified product segments and also introduce process improvements as they are critical for expansion of our product portfolio and which shall also increase our ability to cater to a more diverse consumer base. We believe a continuous review of our products according to our evolving understanding of customer preferences will help us better cater to our customers' needs and maximise our sales.

Continuous training of manpower

Our success in the future will depend on our ability to continue to maintain a pool of experienced professionals. We aim at identifying fresh talent, training, grooming them and providing opportunities for growth. We have been successful in building a team of talented professionals and intend to continue placing special emphasis on managing attrition and attracting and retaining our employees. We also provide technical and functional training to our employees. We intend to further improve our training programmes to ensure that our employees have the skills to meet our customers' demands and provide quality customer service. We have also adopted an organisation-wide human resource policy which lays emphasis on providing continuous training to our employees and establish definite career growth paths for them. We intend to continue to encourage our employees to be enterprising and help them to 'learn on the job' and grow within our organization.

Business operations

Our Products - Manufacturing

Cotton Yarn & Cotton Blended Yarn

The Company manufactures '100% Cotton Yarn' in the count range of Ne2/1 to Ne120/1 vis-à-vis the demand and requirements of the market for use in weaving, knitting, sewing, embroidery, Tea bag thread and Industrial Cords amongst others. We also manufacture blended Cotton blended yarn viz., Cotton blended yarn with (a) cellulosic fibres like viscose, modal, high tenacity viscose & bamboo; (b) recycled fibres like cotton (pre-consumer), Viscose (post-consumer) & Polyester (post-consumer); (c) bast fibres like Linen, Hemp & Ramie; and (d) animal fibres like Mulberry Silk. Being the end-product of spinning, Yarn is the primary component for any knitted / woven fabric and 100% Cotton yarn is used to manufacture different type of fabrics. Yarn count is an important index to distinguish different yarns. Yarn count is the degree of yarn thickness, which can be expressed by means of 'Ne', 'Nm', 'Denier', 'Tex' and so on.

'Ne' is the British Count and refers to that many 840 yards of the Yarn's length, which is what the number of yarns counts spun with a pound of cotton under the public moisture regain. The thicker the yarn, the smaller is the 'Ne' value. For example, the '40s' yarn is thinner than the '20s' yarn. 'D' is the abbreviation of Denier, the expression of the fineness of the chemical fiber. The larger the 'D' value, the thicker is the Yarn. For example, 75D is thicker than 50D. The 'count' is the standard of yarn thickness. The higher the yarn count, the finer the yarn and thinner the cloth. High count of cloth requires high quality of raw materials coupled with spinning and weaving mills with the latest technical know-how, which has a major influence in pricing the cloth.

Apart from yarn manufactured by our Company, our Company also sell processed yarn, which is a value added product. Our Company, has post-spinning capabilities like twisting, gassing, reeling, hank to cone, rewinding, by virtue of which and based on the requirements from its customers, our Company procures yarn from the market (which is the raw material for this operation) and is then processed using our post-spinning capabilities and sold as processed yarn.

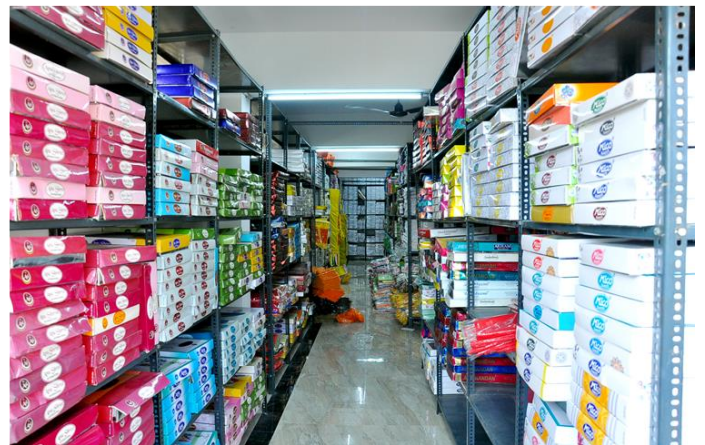
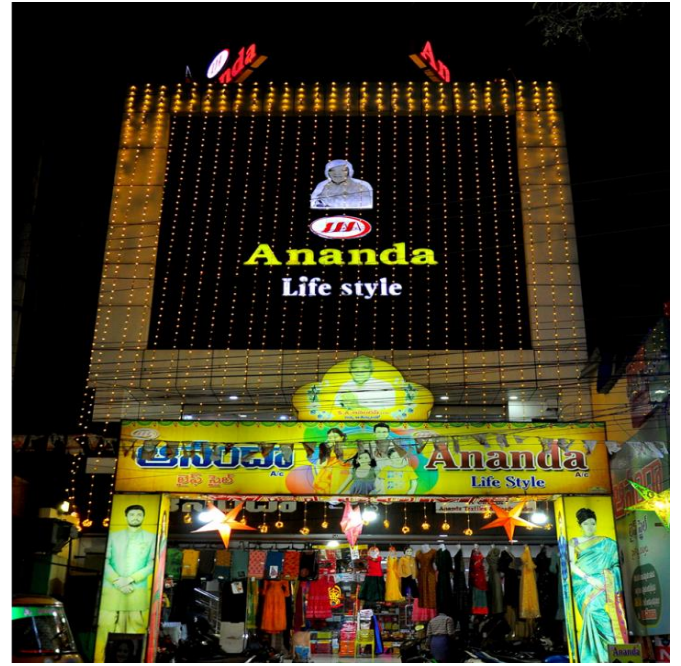
For the period ended Jul 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020, our Company's revenue from sale of processed yarn was ₹ 280.91 Lakhs, ₹ 2329.71 Lakhs, ₹ 5113.94 Lakhs and ₹ 4098.24 Lakhs, respectively, which constituted 4.99%, 14.09% 36.89% and 30.20% of our revenue from operations.



Our Products – Retail and Wholesale

Retail

Our Company retails wide portfolio of textile, readymade clothing and ethnic wear for men, women and children across multiple third-party brands through our 2 retail textile stores i.e. Ananda Textile & Readymades (“**Retail Store 1**”) and Ananda Lifestyle (“**Retail Store 2**”) in Chittoor, Andhra Pradesh (collectively “**MBOs**”). Our MBOs are multi storied and spread over an area about 11,110 sq. ft., with dedicated product category at each floor level. Our MBOs are a one-stop-destination with a wide spectrum of product categories that includes sarees, dress materials, suiting's & shirting's, readymade garments, office wear and celebration wear.



Wholesale

We are also engaged in the wholesale cash & carry business of textile, readymade clothing and ethnic wear for men, women and children across multiple brands, where we supply products to single shop retailers, hawkers, street vendors and small shops in villages in and around the district of Chittoor, Andhra Pradesh regions. Our wholesale store i.e. Ananda Wholesale is multi storied and spread over an area about 9402 sq. ft., with dedicated product category at each floor level. Our wholesale store offers a one-stop-destination with a wide spectrum of product categories that includes sarees, dress materials, suiting's & shirting's, readymade garments, office wear and celebration wear. Our wholesale store layout can be summarized as under:

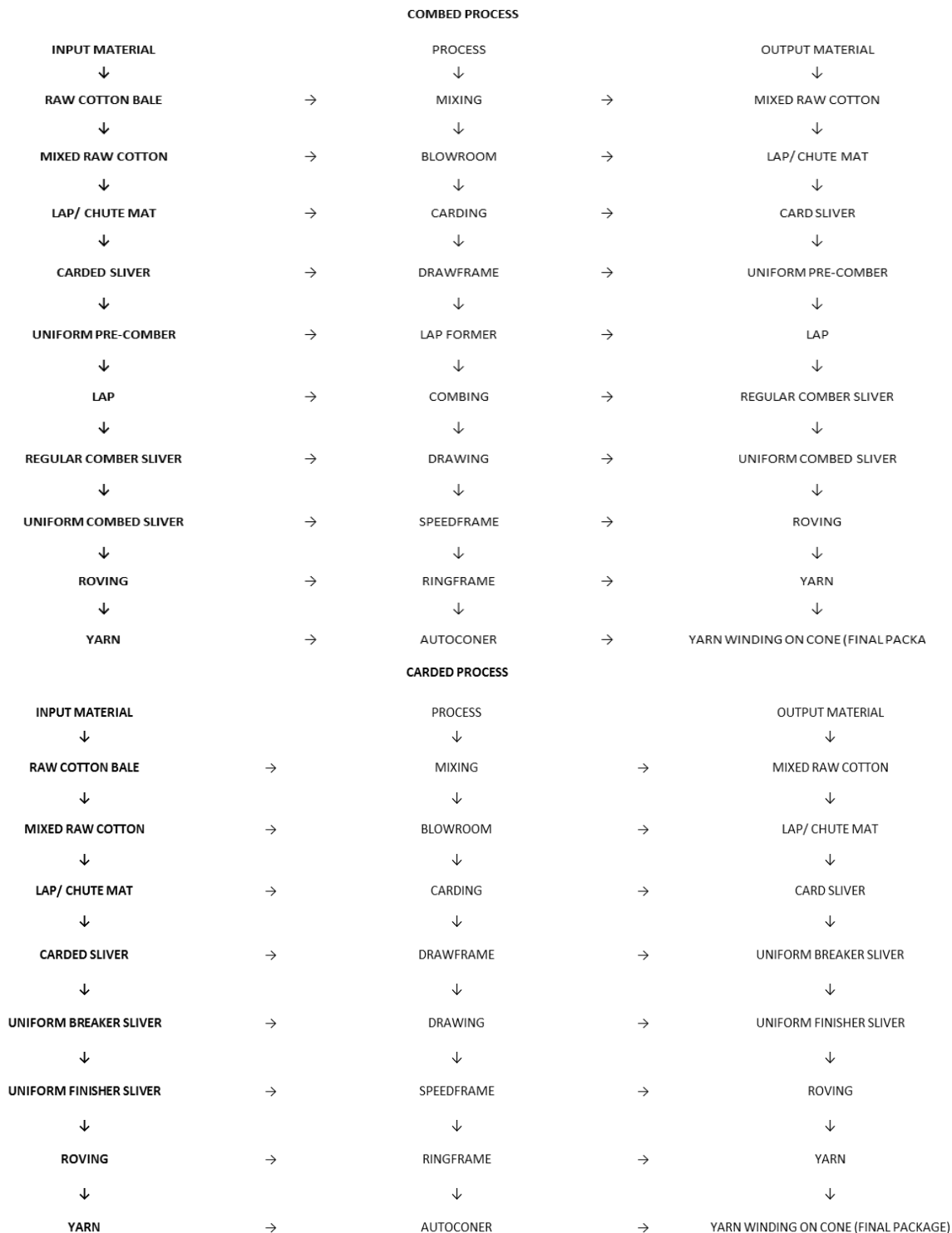


Our Retail Channels

Our Company retails wide portfolio of textile, readymade clothing and ethnic wear for men, women and children across multiple third-party brands through our MBOs which is located at Chittoor in Andhra Pradesh. During the four-month ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020 our retail sales accounted for approximately 10.95%, 10.96%, 11.25%, and 12.90% of the Revenue from operations, respectively.

Our Company is also engaged in wholesale cash & carry business where we supply textile, readymade clothing and ethnic wear for men, women and children across multiple third party brands to single shop retailers, hawkers, street vendors and small shops in villages in and around the district of Chittoor, Andhra Pradesh regions. During the four-month ended July 31, 2022 and for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020 our wholesale cash-&-carry sales accounted for approximately 1.30%, 1.20%, 1.61%, and 1.68% of the Revenue from operations, respectively.

Manufacturing Process



1. *Mixing (Bale Mixer):* Varieties of Cotton are mixed according to quality parameters to avail the best of the characteristics of different varieties and more importantly to average out the cost. The output of this process is opened fibers from Bale.

2. *Blow Room (Opening & Cleaning M/cs)*: Sequence of opening and cleaning machinery are used for thorough opening of the cotton and to remove heavy trash and foreign materials. The output is opened and cleaned tufts of cotton.
3. *Carding (Carding M/c)*: Thorough cleaning of cotton is done by individualization of fibers. Fine trash, Seed coats and short fibers are removed. The output is Sliver.
4. *Lap Forming*: Some of the card slivers are sent for lap forming for comb yarn process while other card slivers are directly sent for finisher drawing for carded ring yarn process. No. of carded slivers are combined and material is formed in sheet form to feed to combers for combed yarn process. The output is Lap of determined length and weight.
5. *Combing (Combers)*: Short fibers and neps are removed to add spin value and luster. The output is Combed Sliver.
6. *Finisher Drawing (Auto-leveler Draw Frame)*: Number of Combed Slivers are combined and drafted to get uniform sliver through electronic measuring and leveling. The output is Sliver.
7. *Roving (Speed Frame)*: Sliver is drafted to determined level, twisted and roving thus formed is wound on bobbins. The output is Roving Bobbin.
8. *Spinning (Ring Frame)*: Roving material is drafted, twisted and the yarn thus formed is wound on bobbins. The output is Cops of Carded Yarn from sliver directly sent for finisher drawing and Cops of Combed Yarn from sliver sent for lap forming.
9. *Auto Coner*: The yarn from Ring Frame cops is wound on large package of weight as per end use. During winding, yarn faults are removed by electronic yarn clearers as per the set value. The output is Cones.
10. *Gassing*: A process where protruding fibers are removed after Auto Coner process by using gassing machine. This is to ensure smoothness of the Yarn.
11. *Steam Conditioning*: A process where Yarn is steam conditioned before final packing to ensure required moisture content in the Yarn.

Business Process – Retail & Wholesale



Plant and Machinery

Our Manufacturing Facility are equipped with various machinery, technology and equipment for the purpose of effectively carrying out our manufacturing process. Some of the important machineries installed in our plants are as given below*:

Sr. No.	Particulars	Quantity
1.	Trutzschler Blowroom with Blendomat with securoprop SP - FPU contamination clearer	7
2.	Trutzschler cards of TC 5 - 3 and TC 10 model	8
3.	Rieter combers of E 66 model with OMEGA lap former	8
4.	Rieter Autoleveler Draw frames.	1
5.	Zinser 3i model simplex machines	3
6.	KTTM RXI 240e and LMW Ringframes with compact system and individual spindle monitoring system	6
7.	Schlafhorst Autoconers of AC - X5 and AC 6 model	6
8.	MURATEC 3C- 1 Model TFO machines for Double yarn	8
9.	PEASS make GSI gassing machines for Gassed yarn	4
10.	Reeling machines with electronic stop motion to ensure correct length of yarn	77

Repair and Maintenance

Manufacturing

We conduct regular repair and maintenance programs for our manufacturing facility. Our machinery and electrical repair teams carry out periodic maintenance and repair of the plants and machinery on an as-needed basis. In addition, our manufacturing facility are periodically inspected by our engineers and technicians.

Retail & Wholesale

Our stores team is responsible for managing regular refurbishment & maintenance. Our stores are also subject to surveillance by our security systems, through CCTVs installed. Our cash management procedures include daily deposits of net cash (cash generated from sales less cash incurred towards store expenses), done by store managers at the bank.

Quality Control Process

Our Company has robust systems and processes in place to ensure quality at each stage of activity. We continuously upgrade our inspection equipment, measuring & testing equipment. Maintenance and calibration are carried out periodically. Our facility is Standard 100 certified by OEKO-TEX.

Quality Control Laboratory

The Company has a 'Quality Control Laboratory' to test physical properties of Cotton fibre such as Fibre Length, Fibre Strength, Fibre Fineness, Fibre Elongation, Fibre Colour Grade, short fibre content, maturity ratio and all types of yarn such as Count, Lea strength, CSP, TPI, U%, Imperfections, hairiness, Single yarn strength, Elongation%, RKM and CV% of all parameters (Single/ Multiply, carded/Combed, cotton, linen and yarns from man- made fibres and its blend).

Inspection

The Company ensures that products purchased such as Cotton, Linen and all types of Yarn are thoroughly inspected so as to meet the required standards.

1. *For Cotton:* Individual bales are tested and checked for fibre properties such as Fibre Length, Fibre Strength, Fibre Fineness, Fibre Elongation, Fibre colour Grade, short fibre content, maturity ratio etc., and

practice the bale management system using “OPTCOTTON” software. Cotton properties such as Trash, Neps, Short fibre content are tested utilising outside testing facilities.

2. *For Yarn:* Inspection is carried out to check physical damages of outer package, visual inspection of small packages (cones/ hanks) for package damage, deviations in the package cone tip, cone label, cone insert, cone defects such as stitches, cut ends, stains, collapsed base / nose, ribboning etc., and shade variation under natural and UV light. Testing is also done for properties such as Count, Lea strength, CSP, TPI, U%, Imperfections, hairiness, Single yarn strength, Elongation%, RKM and CV% of all parameters and compare with specification and submit to the management for approval and/or further proceedings.
3. *Work-In-Process:* The Company has a ‘Test Schedule’ and has laid down tolerance limit for each parameter. Any deviation on these accounts will be rectified on the spot and products not conforming to ‘non-conformity parameters’ will be segregated for disposal based on its impact on the final product.
4. *For Finished product:* All yarn properties are tested and visual inspection is done and compared with specification and then approved for dispatch. In case of non-conformity, the same will be brought to the notice of the management for further corrective and preventive action.

Quality Control Process

We are committed to maintaining high quality standards in our sourcing of products. We have a dedicated quality assurance team responsible for ensuring compliance with our established quality standards and that all personnel working in all our departments (ranging from sourcing to sales and marketing) are adequately trained. Moreover, to ensure compliance with our quality management systems and statutory and regulatory compliance, our quality assurance team is equipped to train our staff on updates in quality, regulatory and statutory standards

Capacity and Capacity Utilization

The details of the installed production capacity, actual production and capacity utilization at our Manufacturing Facilities for the four-month period ended July 31, 2022 and for the Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020.

Particulars	Four-month period ended July 31, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
No. Of Spindles (Installed)	21,264	21,264	21,264	21,264
Actual Capacity Utllisation*	93.18%	89.97%	86.36%	90.48%

[^]Capacity utilization has been calculated on the basis of actual production during the relevant fiscal year divided by the aggregate installed capacity of the manufacturing facility as at the end of the relevant fiscal year.

**The above information has been certified by Grandmark & Associates, Statutory Certificate, by certificate dated .January 03, 2023.*

Procurement of Raw Material

Manufacturing

‘Cotton’ is the main raw material used for the manufacture of ‘Yarn’, which in turn is used to manufacture Fabric, Home Textile products, Technical Textile products etc., The basic raw material required for the manufacture of 100% ‘Cotton Yarn’ is ‘Ginned Cotton’.

Our Company procures cotton, which is by and large available from the states of Maharashtra, Gujarat, Telangana & Karnataka and imports from USA, Australia, Egypt and Africa and is a certified accredited consumer of SUPIMA, Cotton USA-American, Cotton Australia and Cotton Made in Africa and has sustainable certificates from BCI – Better Cotton Initiative, Oeko-Tex STANDARD 100, Global Organic Textile Standard (GOTS) & Organic Content Standard and Fairtrade.

The Company works with a set of vendors, who are identified based on several parameters like quality, price competitiveness and time taken for delivery and do not have defined supply contracts with any of our raw material

suppliers. We majorly procure raw material on the day-to-day market price. Since the procurement is from various local mandis and import from various countries, we generally do not face shortage in supply of raw material.

The Company also purchases cotton certified by Fair Trade from Orissa & Organic Cotton from Madhya Pradesh. The Company also procures recycled cotton from a recycling plant in Salem. Our Company also procures recycled viscose and polyester from some of the leading manufacturers.

Retail & Wholesale

We have been procuring finished goods of high-quality standards from the Indian markets. In our efforts to differentiate our products, we have set up an in-house division for sourcing and procuring. The primary objectives of the department are upgrading and standardizing our product range, branding, improve supply chain and reducing the cost of products through bulk procurement. We are using our expertise to source good quality products at optimal prices to improve and standardise our product range. We receive the raw materials at our warehouse in Chittoor, Andhra Pradesh, where we check the quality of the products and store them. Products are then sold through our MBOs and wholesale store.

Vendor Engagement and Procurement

We procure our textile and readymade garments directly from manufactures located in Surat, Mumbai and other parts of the Country

We procured a majority of our products from various vendors in India, primarily from Surat, Mumbai, Agra, Chennai, Delhi, Kanpur and other cities in India. We have a team of experienced employees who continuously engage in product research, identify new potential vendors and invite samples from them. Any new vendor can also approach us directly with their samples. The samples are then reviewed and shortlisted by our team for review and selection.

After placing an order with our vendors, the goods are received at our warehouse at Chittoor, Andhra Pradesh and checked for quality and fitting. The samples from each item of goods are inspected, which include checking the quality of the goods, materials used, fitting, colours and overall look. After the quality control process, approved labels are affixed on the goods to confirm that the goods have been checked, and the price and in-house brand labels are affixed on the goods. The goods are then packed into boxes, with barcode stickers and the maximum retail price and other details. These boxes are put into cartons and dispatched to our stores as per TOC recommendations.

Warehousing and Logistics

As of July 31, 2022, we operated two warehouses in India, both located at Chittoor in Tamil Nadu, on a lease and-license basis. Transportation vendors are selected based on location and load distribution. We track shipments until the delivery is completed.

Pricing

Pricing of Cotton - Manufacturing

Like any other commodity, raw cotton prices are the reflection of 'Demand – Supply' and is fixed by the COTLOOK A INDEX. A volatile market, international prices of raw cotton have been fluctuating over the years. The Procurement team, with its vast experience, makes prudent purchase decisions.

We have a large network of vendors from whom we directly procure the fabrics, laces, trims and accessories used to manufacture our products. As of December 31, 2021, we have approximately 365 vendors contracted with us and from whom we regularly source our raw materials for manufacturing and other finished goods. We have a dedicated sourcing team that is responsible for sourcing raw materials used to manufacture our products according to our procurement standards, and to monitor the manufacturing of our finished products. As of July 31, 2022, our sourcing team comprised of five (5) members. By virtue of our established presence and leading position in the industry and longstanding relationships with our vendors, we believe that we have developed significant recognition and goodwill in the market and are able to place large purchase orders directly with our suppliers. All

orders placed by us are based on internal demand projections, carried out over in advance of the estimated delivery date of the final product.

We also directly procure finished products, such as footwear, bags and wallets, from third party manufacturers which, once delivered to our centralised warehouse, undergo stringent quality checks. After passing these checks, the goods are dispatched to either our EBOs or our third-party managed warehouse for our online retail inventory. Our inventory management processes allow for system-driven distribution and replenishment of inventory and management of our product portfolio through data-driven forecasting of evolving fashion trends across India.

Product Pricing

We arrive at a pricing point for each of our products through a detailed mechanism that takes into consideration a range of factors, including seasonal trends and costs incurred in connection with procurement, production, marketing and other ancillary expenses. Our products are uniformly priced across our MBOs, subject to seasonal trends and discounts, and we strive to ensure that our products remain aspirational yet of value for money for our customers. We exclusively manage and regulate the prices at which our products are sold across our MBOs.

Marketing & Selling Arrangements

We have a dedicated members for marketing and sales dedicated towards supplying and marketing our products in the domestic and international markets. Our marketing team constantly monitors and scours the trends in the market and prepares and updates our product samples accordingly. We sell our products to business directly as well as through our agents. Our in-house team undertakes gap analysis, product mix analysis and competition analysis and makes options and sample for prospective buyers. Our Company's marketing department constantly interacts with its agents and customers so as to get the feedback on the quality of its products and improve the same as well.

We also regularly participate in several trade fairs which help in networking, attracting potential customers, and updating our customers about the new products that we manufacture.

We believe that we utilize distinctive marketing, advertising and customer engagement initiatives with emotional theme-based campaigns to develop a deeper connection with our customers. Our advertising and marketing campaigns are based on moral and social values of traditional Indian society. We also conduct focused brand campaigns during wedding and festive seasons, such as Diwali, Pongal, Christmas, Ramzan and Ugadi.

Our marketing and advertising initiatives include marketing through traditional channels such as hoardings, banners and pamphlets, and cable TV advertisements, so as to connect with a larger audience base. We utilize identifiable and standardized colours and typography across packaging materials, at point of sales and in our communications at physical stores. Our sales and marketing strategies aim to increase brand awareness, acquire new customers, market new concepts, drive customer traffic across our retail channels and strengthen and reinforce our brand image. Our marketing and brand building activities also include sponsorship initiatives at local religious events, fairs & exhibitions to promote our brands.

Net Additions and Store Closures

During the Financial Year 2022, 2021 and 2020, our Company has not closed any stores. However, our Company has shifted the Wholesale business store to a modern and better infrastructure spread across 9402 sq ft in the nearby location thereby resulting in a net addition of 5480 Sq ft during the FY 2022-23.

As on the date of this Draft Prospectus, our Retail Store Outlet spread across 6026 Sq ft which is an increase of 1886 Sq ft since July 31, 2022

Store Level Operations

Our business and the industry we operate in are vulnerable to the problem of product shrinkage which may occur through a combination of shoplifting by customer or pilferage by employees. We maintain security and surveillance equipment at our existing stores and warehouses to prevent such occurrences.

We have well trained in-house floor managers and section managers' sales teams who they are assigned to and

also speak the regional language which helps in establishing connect with the customers.

Backend Support

Payments by our customers at our stores are handled by our cashiers at our check-out counters. We reconcile our cash proceeds received from our sales against receipts recorded in our point-of-sale systems in all of our stores on a daily basis. Cash is deposited in banks through on-site vaults, which are present in many of our stores which is later collected and deposited in banks on a regular basis. As we handle a significant amount of cash every day, we have implemented necessary procedures for the handling of cash in our stores. Our daily cash proceeds are only handled by our cashiers, and surveillance cameras are set up in all of our stores to monitor the cashiers' counters.

We use scalable technology including integrated ERP systems to maintain and improve operational efficiencies in procurement, sales and inventory management, cash management, in-store systems, logistics systems, human resources as well as other administrative functions. Our technological systems enable us to identify and react to changes in customer preferences and consequently align our inventory levels to such preferences. Our technological systems aid us in effectively and uniformly monitoring and managing the performance of each of our stores and providing logistical support to ensure that our product portfolio remain updated and our delivery is timely and effective. Our Company has a lean organizational structure.

As on December 15, 2022 our Company has employed 102 employees in Retail business vertical and the Wholesale business vertical. Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development. Our Company has also adopted a 'Policy on Prevention of Sexual Harassment' and formed an internal complaints committee to redress sexual harassment complaints, bringing a feeling of togetherness among women and other such befitting functions as may be taken up from time to time.

Our human resource policies are aimed towards creating a skilled and motivated work force. We believe in recognizing talent and potential in our employees and encouraging them to take additional responsibilities. Based on performance, we calibrate our employees and reward performance and loyalty by preferring in-house promotions to lateral hiring. In addition to employees fixed salary, certain performance-linked incentives are offered to showroom employees and senior executives. Our performance-linked incentives consist of additional remuneration payments determined based on each employee's performance and position.

We conduct on-the-job functional training for our employees to help them develop their skill sets, which we believe complements their key responsibility areas, and helps them perform with improved efficiency. We have appointed customer sales representatives at each of our stores and provide them training to ensure that our employees have the requisite skills to meet our customers' demands and provide quality customer service.

We have structured processes, which are intended to facilitate a friendly and cohesive organizational culture. Such processes are supplemented by our internal policies, which are also aimed at a positive atmosphere and establishing common ethical values within the workplace.

Competition

The industry in which we operate is highly competitive and fragmented. Competition emerges from small as well as big players in the textile industry. Our competition varies across various markets and geographical areas. We face competition from both domestic and international companies. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships.

Further, some of our current and potential competitors include large international companies that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have.

Environment, Health and Safety

Our manufacturing activities are subject to a number of laws and regulations, including, regulations on technical safety and environment protection, including, restrictions on air and noise pollution, discharge of effluents and other occupational health and safety regulations.

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted safety, health and environment policies and procedures that are aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our manufacturing facility or under our management.

Our Company imparts Health and Safety Awareness Programs to its workers and appraises them on Covid Awareness Protocols, Environment Awareness, Health and Safety, Chemical Handling & Storage etc.

On Eco-friendly practices, our Company has adopted rain water harvesting, recharging ground water, planting bamboo plants, recycling sewage water etc.

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted safety, health and environment policies and procedures that are aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our manufacturing facility or under our management.

Corporate Social Responsibility

We, as a responsible corporate citizen are committed to take up projects, as part of our Corporate Social Responsibility (“CSR”) initiatives. In the current financial year, we have constituted CSR committee as per the applicable Act. Our CSR policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder. Some CSR initiatives undertaken by the Company are:

1. **Rainwater Harvesting-** The Company has a Well with a depth of 46 ft deep, which was full of Salt Water whose TDS was 2010 as on May '13. This water was utilized in RO plants, Humidification plants, Yarn Conditioning Plants and the Humifog was leaving behind deposits on the respective appliances and the Company had to spend huge sums of money in cleaning the same.
2. **Groundwater Recharging** - Our Company has created a small pond in the North- east corner of the factory premises which stagnates rain water that will in turn improve ground water level in due course of time. Our Company has also ‘Paver Block’ with water seepage facility all over the usable / walkable area (53,000 Sq. ft) enabling rainwater to seep into the ground.
3. **Bamboo Plantation** - Bamboo is a ‘High-Oxygen’ generating plant and a ‘Natural Air Purifier’ and at the same time it grows fast. We therefore started planting Bamboo plants in our factory premises from the year 2018.
4. **Safety measures for Women Workers** - The Company’s employs both Men and Women, out of which 60% are women aged between 20 to 65 years and all of them work in all the three shifts, which makes it obligatory for the Company to be mindful of their safety and well-being. The Company has therefore put in place a ‘ANTI SEXUAL HARASSMENT CELL’ headed by its Director, Sudhaa Ilavarasu who holds periodical meetings with every individual worker to ensure their safety during work. The Company has also tied up with an NGO which conducts Awareness Programs and Health and Hygiene classes for women.

Inventory Management

Manufacturing Business

Our finished products which is cotton yarn which is mainly stored at the manufacturing facility. We produce finished products that is determined based on a combination of confirmed and expected orders.

Retail Business

Textile goods and readymade garments are stored in the godowns and storage spaces in both the retail showrooms and wholesale outlet. Stocks are procured based on the demand and tastes & preferences of the customers. We usually maintain inventory of 6 months’ sales and this volume will be higher during festive seasons, when the business witnesses a manifold increase in sales.

Business Tie-Up

Our Company and Circular Systems SPC, USA have been engaged in discussions during the last few months, whereby Circular Systems will grant license to our Company to manufacture yarns using 'Texloop' and 'Agraloop' technology. The discussions are at an advanced stage and the License Agreement shall be executed.

Circular Systems (www.circularsystems.com) is a materials science company and transforms waste into valuable Fiber, Yarn & Fabric. Focused on development of innovative circular and regenerative technologies, the Company has developed Waste-to-Fiber platforms 'Texloop' and 'Agraloop'. Circular Systems is engaged in production of Sustainable fibres, Yarns and Fabrics for major apparel brands with aim of reducing the carbon footprint & avoiding landfills/sea with synthetic materials for the purpose of protecting the soil fertility & bio diversity of marine life. Bestowed with climate change awards, Circular Systems has developed spinnable bio fibre from food waste & incorporate traceability using blockchain technology.

'Texloop' recycling is a revolutionary global platform that reclaims pre-consumer cotton textile waste and upgrades it into high quality RCOT recycled cotton fiber. Texloop RCOT is known as the highest-quality and most consistent recycled cotton fiber in the global market, with almost limitless applications.

'Agraloop' refines natural fibers derived from agricultural crops into textile-grade fiber called Agraloop BioFibre. This is blended with other natural staple fibers to produce a range of ring-spun and open-end yarns blended with Texloop RCOT, organic cotton and TENCEL Lyocell. Product applications include knit and woven textiles for clothing, footwear, accessories and durable home goods.

Human Resources

Our employees contribute significantly to our business operations. We require a significant amount manpower on our payroll as our processing facility though, technologically advanced, is labour intensive. We consider our employees to be assets of our organization and we are committed to building and nurturing our human capital. Our Company employs 605 personnel and the following table sets forth a breakdown of our employees as on December 15, 2022:

Sr. No.	Function	Number of Employees
Facilities at Rajapalayam		
1	Office & Admin Staff	32
2	Security	12
3	Quality Control	7
4	Drivers	10
5	Preparatory Section	118
6	Spinning Section	135
7	Auto Coner Section	142
8	Packing Section	20
9	Others	27
Retail Business & Wholesale Business at Chittoor		102
TOTAL		605

Utilities

Power

- Manufacturing Division

On an average, the manufacturing division consumes 1 Crore units every year, which is serviced by a combination of sources.

Power purchased from Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO)	22.90%
Power generated through own Windmill	3.70%

Green Power purchased under captive Power user arrangement	52.80%
Power purchased through Indian Energy Exchange (IEX)	20.60%

- **Retail Division, Chittoor**

The retail outlets in Chittoor draw power from Andhra Pradesh Southern Power Distribution Corporation Limited (APSPDCL).

Water

The water is required in our Company manufacturing process and for other purposes. Our Company draws water from a well located in the factory premises and also has Borewell to meet any exigencies. Further, the Company also consumes water from Local corporation.

Logistics

We transport raw materials and finished products primarily by road in case of our domestic operations. Our suppliers directly deliver raw materials to our manufacturing facility. We outsource the delivery of our products to either third-party logistics companies or as mutually decided between the customer and Company. For our export operations, we primarily rely on sea-freight and carry such operations from Tuticorin Port and Chennai Port, which are nearest ports to our manufacturing unit.

IT Infrastructure & Information Technology

We believe that an appropriate information technology structure is important in order to support the growth of our business. Our Company has adequate Information Technology Infrastructure which commensurate to its size of business. The Company's major functions are fully automated and supported by latest versions of function-specific software as listed hereunder:

1. **TallyPrime2.1-** A complete business management software for small and medium enterprises, TallyPrime facilitates Accounting, Inventory, Banking & Taxation.
2. **OPTCOTTON-** This is a Cotton Bale Management System which ensures both quality and uniformity of mixes, thereby eliminating the risk of unplanned variations in terms of quality.
3. **Premier Ultimo-** The latest state-of-the-art individual 'Spindle Monitoring System' for Ring Frames. The software provides key information to various levels of management through e-service like SMS, Mails and Mobile application.
4. **Millmaster-** A 'Production Monitoring Software', which is a comprehensive analysis tool for determining deviating Yarn properties and their causes. This is a great tool for any spinning mill to tackle daily quality and production challenges, monitor constant yarn quality and provides basis for efficient machinery maintenance, eventually leading to a significant reduction in maintenance costs.
5. **Siva Sakthi-** A ERP Software for the 'Retail' business, this application encompasses and optimises Purchases, Sales and Inventory functions of the Company's Retail division.

Risk Management

Our Company has implemented a risk management policy, the main objectives of which are, inter-alia, to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed, and to enable compliance with appropriate regulations wherever applicable, through the adoption of best practices. In order to achieve this key objective, the policy establishes a structural and disciplined approach to risk management, which helps in arriving at correct solutions for various risk related issues.

Competition

The industry in which we operate is highly competitive and fragmented. Competition emerges from small as well as big players in the textile and home furnishing industry. Our competition varies across various markets and geographical areas. We face competition from both domestic and international companies. We compete primarily

on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships. Further, some of our current and potential competitors include large international companies that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have.

Our key direct competitors in our Retail business vertical include other organized brick & mortar retailers and unorganized retailers such as local electronic stores and others. Each of the aforementioned organised retailers of electronics has an established presence in the markets we operate and in some cases across India and each is continuing to open additional stores. The increasing competition shall result in shrinkage of catchment area of our stores. Further, the availability of multiple options enhances the bargaining power of the customers, which in turn forces the store operators to resort to aggressive discounting practices affecting the gross margins

Insurance

Our operations are subject to various risks inherent to the Textile manufacturing industry. We have obtained insurance in order to manage the risk of losses from potentially harmful events, including: (i) Industrial all risk policy; (ii) Standard Fire Policy; (iii) Burglary Floater Insurance policy (iv) Consequential Loss (Fire) Policy (v) Machinery Breakdown Policy and other policies as required. These insurance policies are renewed periodically to ensure that the coverage is adequate. Our insurance covers all of our manufacturing facilities, godowns, retail showrooms and wholesale outlet. In addition, the insurance companies regularly deploy its team for insurance surveys to help us identify insurable interests and mitigate future risks.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See the section titled “**Risk Factors**” beginning on page 23 of this Draft Prospectus.

Properties


The Company operates through following properties on leasehold/ ownership basis:

Sr. No.	Location	Type	Purpose Used
1	100, Srivilliputtur Road, Mamsapuram Village, Padikasuvaithanpatti, Srivilliputtur Taluk, Virudhunagar District Tamil Nadu- 626110	Owned	Manufacturing facilities - Mail Spinning plant
2	Survey no. 87, Govindapuram Village, Dharapuram taluk, Tiruppur District, Tamil Nadu	Owned	Generation of Wind Power
3	15/87A, THATCO Colony, Sundarapandiam, Tamil Nadu - 626126	Owned	Post-spinning process
4	24/25, Pillaimar Middle Street, Sundarapandiam, Tamil Nadu – 626126	Leased	Post-spinning process
5	SF no. 10/1, Mamsapuram, Srivilliputtur Taluk Tamil Nadu - 626110	Leased	Storage of raw materials
6	Door no. 663, Melapatnam Karisalkum Village, Rajapalayam Taluk	Leased	Spinning preparation for alternative fibres
7	18-784, Church Street, Chittoor AP	Leased	Retail Showroom - Ananda Textile & Ready made
8	18-934 & 18-935, Chittoor Town High Road, Chittoor District AP	Leased	Retail Showroom – Ananda Life Style
9	D. No. 10-1001/2, Yadava Street, Chittoor District, Chittoor Town AP	Leased	Wholesale Showroom

Sr. No.	Location	Type	Purpose Used
10	D no. 18-663/664, Muthu Maistry Street, 1st & 2nd Floors, Chittoor Town, Chittoor District	Leased	Retail Business - Godown
11	D. no. 18-739/2, 1st Floor, MM Street, Chittoor Town, Chittoor District	Leased	Retail Business - Godown
12	D. no. 18-991, 2nd Floor, PH Road, Chittoor Town, Chittoor District AP	Leased	Retail Business - Godown
13	11, Bepin Behary Ganguly Street Kolkata, West Bengal - 700012	Leave and License	Depot

Intellectual Property

Our Company has made an application for the registration of the below mentioned trademark with Trademark Registry, Government of India and the approval of same is awaited as on this Draft letter of Offer.

Logo Trademark	Class	Nature of Trademark	Applicant	Application No. & Date	Status
	23	Device	S. A. Aanandan Mill Limited	5628084	Send to Vienna Codification
SAA	23	Word	S. A. Aanandan Mill Limited	5628083	Formalities Check Pass

For details relating to our Intellectual Property, please refer to Chapter “***Government and Other Statutory Approvals***” on page 223 of this Draft Prospectus. Also, refer Risk Factor “***If our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected, it could have a material adverse effect on our business, results of operations and financial condition.***” in the section titled “***Risk Factors***” on page 23 of this Draft Prospectus.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of certain key regulations in India which are applicable to the business and operations of our Company. The information detailed in this section has been obtained from publications available in public domain. The description of laws and regulations set forth below may not be exhaustive, and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The information in this section is based on the current provisions of applicable laws in India that are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

For details of regulatory approvals obtained by us in compliance with the applicable regulations, see "Government and Other Approvals" beginning on page [•] of this Prospectus.

A. Regulations governing Textile Manufacturing Sector

1. The Textiles Committee Act, 1963

The Textile Committee Act, 1963 (the "Act") was enacted in 1963 to provide for the establishment of a committee for ensuring the quality of textiles and textile machinery and for matters connected therewith. The Act prescribes for establishment of a textile committee (hereinafter referred to as the "Textile Committee") with the general objective of ensuring a standard quality of textiles both for internal marketing and export purposes as well as standardization of the type of textile machinery used for manufacture. In addition to the general objection as mentioned above, the function of the Textile Committee inter alia include, to undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery, promotion of export of textile and textile machinery, establishing or adopting or recognising standard specifications for textile and packing materials used in the packing of textiles or textile machinery for purpose of export and internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials, specify the type of quality control or inspection which will be applied to textile or textile machinery, provide for training in the techniques of quality control to be applied to textiles or textile machinery, provide for inspection and examination of textiles, textile machinery and packing material used in the packing of textile and textile machinery, establishing laboratories and test houses for testing of textiles and data collection and such other matters related to the textile industry.

2. Textile Development and Regulation Order, 2001 ("Textile Order")

The Central Government in exercise of the powers conferred upon it under section 3 of the Essential Commodities Act, 1955 and in supersession of the Textile (Development and Regulation) Order, 1993 brought in force the Textile Order. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles is required to maintain books of accounts, data and other records relating to the business in the matter of production, processing, import, export, supply, distribution, sale, consumption etc. and shall furnish such returns or information in respect to the business as and when required by the Textile Commissioner. The Textile Order confers upon the Textile Commissioner powers to issue directions by notification with the prior approval of Central Government to any manufacturer regarding the specification or class of textiles which shall not be manufactured, dyes and chemicals which shall not be used in the manufacture of textile, maximum and minimum quantity of textiles which shall be manufactured, maximum ex-factory or wholesale or retail price at which textiles shall be sold, markings to be made on textiles by manufacturers and the time and manner of such markings and direct the officer in charge of any laboratory to carry out or cause to be carried out such tests relating to any textiles as may be specified by the Textile Commissioner.

The National Textile Policy, 2000 ("NTP") aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The objective is sought to be achieved by liberalising controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. In furtherance of its objectives, the strategic thrust of the NTP is on technological upgradation, enhancement of productivity, quality consciousness, product diversification, maximising employment opportunities, and so on. The NTP also envisages certain sector specific initiatives,

including the sector of raw materials, spinning, weaving, powerloom, handloom, jute and textile. The Policy also lays down certain delivery mechanisms for the implementation of the policy and to enable the Indian textile industry to realise its full potential and achieve global excellence.

Salient objective of NTP is as follows –

- Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
- Develop a strong multi-fiber base with thrust on product upgradation and diversification;
- Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;
- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry; and for this purpose to revitalize the institutional structure;
- Make Information Technology (IT), an integral part of the entire value chain of textile;
- Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing; and
- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non-Governmental Organizations in the fulfilment of these objectives, vide the NTP, the Government has conveyed it's commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfil its obligation to different sections of society.

3. *The Factories Act, 1948 ("Factories Act")*

The Factories Act defines a "factory" to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and, any premises where there are at least twenty workers even though there is no electrically aided manufacturing process being carried on. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories.

The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished in accordance with the Factories Act for different offences in case of contravention of any provision thereof and in case of a continuing contravention after conviction, an additional fine for each day of contravention may be levied.

B. *Intellectual Property Laws*

1. *The Trade Marks Act, 1999 (the "Trade Marks Act")*

The Trade Marks Act provides for the application, registration and protection of trademarks in India. The Trade Marks Act provides exclusive rights to the use of trademarks such as, brands, labels and headings that have been registered and to provide relief in case of infringement of such marks. The Trade Marks Act prohibits any registration of deceptively similar trademarks. The Trade Marks Act also provides for penalties for infringement and for falsifying and falsely applying trademarks and using them to cause confusion among the public.

Our Company has obtained and applied for trademark registrations for the various brands and logos used in our business which are subject to the provisions of the Trade Marks Act, 1999.

2. *The Copyright Act, 1957 (the "Copyright Act")*

The Copyright Act provides for registration of copyrights, assignment and licensing of copyrights, and protection of copyrights, including remedies for infringement. The Copyright Act protects original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. In the event of infringement of a copyright, the owner of the copyright is entitled to both civil remedies, including damages, accounts and injunction and delivery of infringing copies to the copyright owner, and criminal remedies, including imprisonment and imposition of fines and seizure of infringing copies. Copyright registration is not mandatory under the Copyright Act for

acquiring or enforcing a copyright, however, such registration creates a presumption favouring ownership of the copyright by the registered owner.

C. General Corporate Compliance

1. The Companies Act 1956 and the Companies Act, 2013

The consolidation and amendment in the law relating to the Companies Act, 1956 made way for the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post-incorporation. The conversion of the private company into a public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, the appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to bank companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with Sections 196 and 197), Part I lay down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

Further, The Companies Amendment Act, 2015 is passed on May 25, 2015, also The Companies Amendment Act, 2017 is passed on January 3, 2018. The Companies Amendment Act, 2017 includes major amendments in the definition, financial statement, and corporate social responsibility, disclosure under boards report, general meeting, and disclosure in the Red Herring prospectus.

D. Other Relevant Legislations

1. Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

2. Fire Prevention Laws

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centers and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance.

3. The Water (Prevention and Control of Pollution) Act, 1974 (Water Act)

The Water Act aims to prevent and control water pollution by factories and Manufacturing Facilities *and to* maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewage or causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

4. The Air (Prevention and Control of Pollution) Act, 1981 (Air Act)

The Air (Prevention and Control of Pollution) Act, 1981 (Air Act) provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control

board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of 4 months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

5. *The Electricity Act, 2003*

The Electricity Act, 2003 provides the legislative framework for certain aspects of renewable energy in India. As per the Electricity Act, 'National Electricity Policy' and 'Tariff policy' shall be prepared by the Central Government in consultation with the State Government and the Central Electricity Authority, an authority established under the Electricity Act, for development of power for the optimum utilization of renewable sources of energy. Also, the Central Government shall after consultation with the State Governments, prepare and notify a national policy, permitting standalone systems including those based on renewable sources of energy and non-conventional sources of energy for rural areas. State Electricity Regulatory Commissions (—SERCs"), have also been established under the Electricity Act, and are responsible for the promotion of generation of electricity from renewable sources of energy at the state level, inter alia, by providing suitable measures for connectivity with the grid and fixing preferential tariffs. They also fix 'Renewable Purchase Obligations' which are the minimum levels of renewable energy which a distribution licensee must purchase.

6. *The National Electricity Policy*

The 'National Electricity Policy' ("NEP") was notified by the Central Government on February 12, 2005, in compliance with Section 3 of the Electricity Act, 2003. The policy seeks to address, inter alia, the following issues viz. rural electrification, generation, transmission, distribution, technology development, and research and development, financing power sector programmes including private sector participation, environmental issues, and cogeneration and non-conventional energy sources. The NEP calls for utilizing the potential of nonconventional energy resources, mainly small hydro, wind and bio-mass. The aim is to ensure that these resources can be exploited fully to create additional power generation capacity. With a view to increase the overall share of non-conventional energy sources in the electricity mix, NEP seeks to make efforts to encourage private sector participation through suitable promotional measures. The Central Government has also provided for 'Generation Based Incentives', which inter alia contain subsidies and tax cuts for 'Independent Power Producers' engaging in power production through renewable sources of energy.

7. *Municipality Laws*

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

8. *The Consumer Protection Act, 1986 (the "COPRA")*

The COPRA provides for the protection of the interests of consumers and the settlement of consumer disputes. The COPRA sets out a mechanism for consumers to file complaints against, inter alia, service providers in cases of deficiencies in services, unfair or restrictive trade practices and excessive pricing. The terms "defect" and "deficiency" are broadly defined and cover any kind of fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard. A three-tier consumer grievance redressal mechanism has been implemented pursuant to the COPRA at the national, state and district levels. If the allegations specified in a complaint about the services provided are proved, the service provider can be directed to inter alia remove the deficiencies in the services in question, return to the complainant the charges paid by the complainant and pay compensation, including punitive damages, for any loss or injury suffered by the consumer. Non-compliance with the orders of the authorities may attract criminal penalties in the form of fines and/or imprisonment.

9. Taxation Laws

The tax related laws that are applicable to our Company include the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017 and the relevant state legislations for goods and services tax.

10. Professional Tax

Professional tax is a state level tax which is imposed on income earned by way of profession, trade, calling or employment. At present, professional tax is imposed only in Karnataka, Bihar, West Bengal, Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu, Gujarat, Assam, Kerala, Meghalaya, Odisha, Tripura, Madhya Pradesh, and Sikkim. The Registration Act, 1908

11. Laws Relating to Employment

Our operations are subject to compliance with certain additional labour and employment laws in India. These include, but are not limited to, the following:

- the Child Labour (Protection and Prohibition) Act, 1986
- the Contract Labour (Regulation & Abolition) Act, 1970
- the Employees Compensation Act, 1923
- the Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- the Employees' State Insurance Act, 1948
- the Equal Remuneration Act, 1976
- the Maternity Benefit Act, 1961
- the Minimum Wages Act, 1948
- the Payment of Bonus Act, 1965
- the Payment of Gratuity Act, 1972
- the Payment of Wages Act, 1936
- the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

12. The Information Technology Act, 2000 (the "IT Act")

The IT Act creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems, damaging such systems or modifying their contents without authorization, unauthorized disclosure of confidential information and committing of fraudulent acts through computers.

In April 2011, the Department of Information Technology under the then Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (the "**IT Personal Data Protection Rules**") under Section 43A of the IT Act and notified the Information Technology (Intermediaries Guidelines) Rules, 2011 and Information Technology (Reasonable security practice and procedure and sensitive personal data or information) Rules, 2021 (the "**IT Intermediaries Rules**") under Section 79(2) of the IT Act. The IT Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The IT Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to

electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it.

13. Foreign Investment

Under the consolidated FDI Policy (effective from October 15, 2020) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and the provisions of the Foreign Exchange Management Act, 1999 along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, 100% foreign investment through the automatic route, i.e., without requiring prior governmental approval, is permitted in the test preparatory services sector.

HISTORY AND CERTAIN CORPORATE MATTERS

HISTORY AND BACKGROUND

Our Company was originally incorporated as a Private Company in name and style of S.A. Aanandan Spinning Mills Private Limited under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 23, 1996 bearing Registration Number 18-36146 of 1996 issued by Additional Registrar of Companies, Tamil Nadu. Subsequently, our Company was converted into a Public Limited Company pursuant to Special Resolution passed by the shareholders at the Extraordinary General Meeting dated May 02, 2022 and the name of our Company was changed to S.A. Aanandan Spinning Mills Limited and to reflect the legal status of our Company and a fresh certificate of incorporation was granted by the Registrar of Companies, Chennai dated May 31, 2022 bearing Corporate Identification Number U17116TN1996PLC036146. Further, the name of our Company was changed to S.A. Aanandan Mill Limited and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Chennai dated August 05, 2022.

Business and Management

For a description of our activities, services, designing, technology, market segments, the growth of our Company and regional geographical segment in which our Company, please refer section titled “**Business Overview**”, “**Industry Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 106, 103 & 178 of this Draft Prospectus, respectively. For details of the management and managerial competence of our Company, please refer section title “**Our Management**” on page 152 of this Draft Prospectus.

CHANGES IN REGISTERED OFFICE OF THE COMPANY

There has been changes in the registered office of our Company which are as follows:

DATE	FROM	TO	REASONS
June 13, 2022	Post Box No.153, Srivilliputtur Road, Rajapalayam, 626 110, Kamarajar Dt. Tamil Nadu 626110	100, Srivilliputhur Road, Padikasuvaihanpatti Village, Mamsapuram Post, Rajapalayam, Virudhunagar Tamil Nadu - 626 110 India	Due to correction in address

MAIN OBJECTS OF OUR COMPANY

1. To carry on the business of spinning, twisting, doubling, weaving, knitting, fabricating, combing, manufacturing, processing or preparing, darning, packing, bleaching, dyeing and colouring, selling and buying, dealing in various fibers like Cotton, Kapas, Wool, Silk, Hemp, Jute, Cellulosic Fibers like Viscose, Bamboo, Soya etc., and artificial silk, flax etc. and other substances including waste, cotton, raw cotton, raw wool and rags.
2. To comb, prepare, spin, wind, warp, dye, bleach, colour, shade, stretch, double, reel, cone, size, mercerize, print, embroider and deal in cotton, waste cotton, staple, fiber, silk, artificial silk, rayon, nylon, polyester, linen, flax, hemp, jute, worsted, wool and other natural and/or synthetic fibrous substances, to weave or otherwise manufacture, cut, stitch, design cloth and other goods, fabrics, whether textile, netted or looped and to produce, manufacture, process or prepare, deal, import, export yarns, threads, cloth of all kinds, knitted wear, hosiery, linen, ready-made dress articles, garments, made ups, furnishings, medical textile goods, towels, napkins, tarpaulins, designer fabrics, sewing threads, lining materials, zips, buttons, elastic materials, knitting materials, needles and all other textile goods.
3. To carry on the business of manufacturers, importers, exporters, buyers, sellers, dealers and as agents, stockists, distributors and suppliers of all kinds of readymade garments, coverings, coated fabrics, textiles, hosiery and silk or merchandise of every kind and description and other production goods, articles and things as are made from or with cotton, nylon, silk, polyester, acrylics, wool, jute and other such kinds of fiber by whatever name called or made under any process, whether natural or artificial and by mechanical or other means and all other such products of allied nature made thereof.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION (MoA)

Since incorporation, the following amendments have been made to the MoA:

Date of Resolution / Change	Clause	Particulars of Change
January 27, 2000	Capital Clause	Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from ₹ 60,00,000/- (Sixty Lakhs Only) divided into 60,000 equity shares of ₹ 100/- each to ₹ 2,00,00,000/- (Two Crore Only) divided into 2,00,000 Equity shares of ₹ 100/- each.
September 24, 2003	Capital Clause	Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from ₹ 2,00,00,000/- (Two Crores Only) divided into 2,00,000 equity shares of ₹ 100/- each to ₹ 2,50,00,000/- (Two Crore Fifty Lakhs Only) divided into 2,50,000 Equity shares of ₹ 100/- each.
September 09, 2011	Capital Clause	Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from ₹ 2,50,00,000/- (Two Crore Fifty Lakhs Only) divided into 2,50,000 equity shares of ₹ 100/- each to ₹ 4,50,00,000/- (Rupees Four Crore and Fifty Lakh Only) divided into 4,50,000 Equity shares of ₹ 100/- each.
March 11, 2012	Capital Clause	Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from ₹ 4,50,00,000/- (Rupees Four Crore and Fifty Lakh Only) divided into 4,50,000 Equity shares of ₹ 100/- each to ₹ 6,00,00,000/- (Rupees Six Crores Only) divided into 6,00,000 equity shares of ₹ 100/- each.
March 19, 2014	Capital Clause	Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs 6,00,00,000/- (Rupees Six Crores Only) divided into 6,00,000 equity shares of ₹ 100/- each to ₹ 9,00,00,000/- (Rupees Nine Crores Only) divided into 9,00,000 Equity shares of ₹ 100/- each.
December 28, 2018	Capital Clause	Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs 9,00,00,000/- (Rupees Nine Crores Only) divided into 9,00,000 Equity shares of ₹ 100/- each to ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 10,00,000 Equity shares of ₹ 100/- each.
May 18, 2022	Name Clause	Clause I of the Memorandum of Association was amended to reflect the conversion of our Company from a private limited company to a public limited company and consequent change in name of our Company from “S.A. Aanandan Spinning Mills Private Limited” to “S.A. Aanandan Spinning Mills Limited”.
June 20, 2022	Capital Clause	Clause V of the Memorandum of Association was amended to reflect sub-division of each share from ₹ 100/- to ₹ 10/- to read as: ‘The authorized share capital of the Company is ₹ 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) equity shares of ₹ 10/- (Ten) each.
June 20, 2022	Object Clause	Adopted new set of object clause III (A) and deletion of existing clause III (A)
June 20, 2022	Name Clause	Change in name of our Company from “S.A. Aanandan Spinning Mills Limited” to “S.A. Aanandan Mill Limited”

Date of Resolution / Change	Clause	Particulars of Change
December 12, 2022	Capital Clause	Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 Equity shares of ₹ 10/- each to ₹ 25,00,00,000/- (Rupees Twenty-five Crores Only) divided into 2,50,00,000 Equity shares of ₹ 10/- each.

MAJOR EVENTS, MILESTONES, KEY AWARDS, ACHIEVEMENTS AND ACCOLADES OF OUR COMPANY

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

Financial Year	Events
1996	Incorporated as a Private Limited Company in the name and style of S.A. Aanandan Spinning Mills Private Limited.
2014-15	Awarded Gold Trophy for special achievement in Cotton Yarn exports.
2018-19	Acquired the Retail Business (Ananda Textiles and Readymades) as a going concern from Aanandan Ilavarasu, Managing Director as a slump sale.
2020-21	T1 Certificate issued by Indian Customs as Authorised Economic Operator
2021-22	Certified as official supplier of 'Cotton made in Africa' yarns, fabrics or the final product produced in compliance with the chain of custody guidelines issued by the Aid by Trade Foundation.
2021-22	Fairtrade Certificate certifying that the Company is in compliance with the Fairtrade standards and FLOCERT certification requirements issued by FLOCERT GmbH, Germany.
2021-22	SCOPE Certificate issued by CU Inspections & Certifications India Pvt Ltd certifying that the Company has been inspected and assessed in accordance with Global Organic Standard (GOTS) for Fibers, Greige Yarns, Dyed Yarns, Greige Fabrics and Undyed Fibers for Exporting, Spinning, Storing and Trading.
2021-22	Standard 100 by OEKO – TEX® Mark
2021-22	TWO STAR Export House
2022-23	Converted into Public Limited Company vide fresh certificate of Incorporation dated May 31, 2022.
2022-23	Company name changed to S.A. Aanandan Mill Limited vide fresh certificate of Incorporation dated August 5, 2022.

STRATEGIC PARTNERS

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

FINANCIAL PARTNERS

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Prospectus, our Company does not have any financial partner.

TIME AND COST OVERRUN IN SETTING UP OF PROJECTS

There have been no instances of time and cost overruns in setting up of our projects in the past.

CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS

For details pertaining to capacity / facility creation, location of plant refers section “*Business Overview*” on page 106 of this Draft Prospectus.

DETAILS OF LAUNCH OF KEY SERVICES, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS

For details pertaining to launch of key services, entry in new geographies or exit from existing markets, please refer chapter titled “*Business Overview*” on page 106 of this Draft Prospectus.

DEFAULTS OR RESCHEDULING / RESTRUCTURING OF BORROWINGS OUR COMPANY WITH FINANCIAL INSTITUTIONS / BANKS

There have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/banks or conversion of loans into equity in relation to our Company.

ACQUISITION OR DIVESTMENTS OF BUSINESS / UNDERTAKINGS, MERGERS AND AMALGAMATIONS

Except acquisition of the Retail Business (Ananda Textiles and Readymades) from Mr. A Ilavarasu, Managing Director through a slump sale on April 01, 2018, our Company has neither acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation during the last ten (10) years.

REVALUATION OF ASSETS

Except as mentioned below, our Company has not revalued its assets since incorporation except the following:-

Our Company has revalued its fixed assets on March 21, 2014 comprising of land admeasuring 7 acres and 79 cents and building constructed thereon and located in Survey no.s 33/1 A2 and 33/1B 1, Padikasuvaithanpatti Village, Survey no.s 69 / 1B1, 69/4 and 5, Mamsapuram Village, Door no. 152, Tenkasi – Madurai Road, Rajapalayam, Virudhunagar District and landed property admeasuring 6.58 acres located in Survey no.s 1255/3A, 1256/2, 1257/1B2, 1258/1, 1258/2, 1261/1, 1262, 1266/2A1 and 1266/2B1, Door no.s 87A, 87B, 87C, Sundarapandiam Village, Srivilliputtur Taluk, Kunnur Sub Registrar Range, Virudhunagar District.

HOLDING COMPANY

Our Company does not have a holding company as on the date of this Draft Prospectus.

SUBSIDIARIES

Our Company does not have any subsidiary company as on the date of this Draft Prospectus.

JOINT VENTURES

Our Company has no joint-ventures as on the date of this Draft Prospectus.

SHAREHOLDERS AND OTHER MATERIAL AGREEMENTS

There are no shareholders and other material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by our Company.

COLLABORATION

Our Company has not entered into any Collaboration as on the date of this Draft Prospectus.

LOCK-OUT AND STRIKES

There have been no material instances of strikes or lock-outs at any time in our Company.

INJUNCTION OR RESTRAINING ORDERS

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

OUR MANAGEMENT

In terms of our Articles of Association, our Company is required to have not less than 3 Directors and not more than 15 Directors. As on the date of this Draft Prospectus, our Board comprises of 5 Directors including the 2 Executive Directors, 3 Non-Executive Directors which further includes 02 Independent Non-Executive Directors. Our Company has 1 woman Director. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act.

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

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships
Anandan Ilavarasu Designation: Chairman & Managing Director DIN: 02443124 Date of Birth: April 06, 1972 Age: 50 years Occupation: Business Address: 37A, P.S.K Nagar, K R Nagar Post, Rajapalayam, Virudhunagar, Tamil Nadu, India- 626108 Nationality: Indian Original Date of Appointment: March 30, 1997 Change in Designation: N.A. Period of Directorship: For a period of Five (5) consecutive years with effect from August 01, 2022 and shall not be liable to retire by rotation.	Public Limited Company NIL Private Limited Company NIL
Sudha Ilavarasu Designation: Joint Managing Director DIN: 01816949 Date of Birth: August 23, 1973 Age: 49 years Occupation: Business Address: 37A, P S K Nagar, K R Nagar Post, Rajapalayam, Virudhunagar, Tamil Nadu, India- 626108 Nationality: Indian Original Date of Appointment: March 09, 2000 Change in Designation: August 31, 2022 Period of Directorship: For a period of Five (5) consecutive years with effect from August 31, 2022 and shall not be liable to retire by rotation.	Public Limited Company NIL Private Limited Company NIL
Chandrashekhar Guruswamy Aiyar Designation: Non-Executive Independent Director DIN: 00585621 Date of Birth: November 14, 1949 Age: 73 years Occupation: Professional Address: A-304/305, 3rd Floor, Cosmic Heights, Wadala Link Road, Bhakti Park, Wadala East, Mumbai, Maharashtra, India-400037 Nationality: Indian Original Date of Appointment: May 26, 2022 Change in Designation: June 06, 2022	Public Limited Company 1. Star Agriwarehousing And Collateral Management Limited 2. Agriwise Finserv Limited Private Limited Company 1. Star Agriinfrastructure Private Limited

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships
Period of Directorship: For a period of Five (5) consecutive years with effect from June 06,2022 and shall not be liable to retire by rotation.	
Sathish Kumar A S Designation: Non-Executive Independent Director DIN: 05019675 Date of Birth: November 06, 1965 Age: 57 years Occupation: Business Address: Old No. 6 New No. 17, Flat No. 1A, 1 st Avenue, Indira Nagar, Adyar, Chennai, Tamil Nadu, India- 600020 Nationality: Indian Original Date of Appointment: April 05, 2022 Change in Designation: June 06, 2022 Period of Directorship: For a period of Five (5) consecutive years with effect from June 06, 2022 and shall not be liable to retire by rotation.	Public Limited Company 1. Info-Drive Software Limited 2. Textile Plus India Limited 3. INCI Construction and Interiors Limited Private Limited Company 1. SKRP Holdings Private Limited
Chandrasekaran Rajasekaran Designation: Non-Executive Director DIN: 09740318 Date of Birth: October 18, 1955 Age: 67 years Occupation: Business Address: 194/253, Sivagami Puram Street, Rajapalayam, Virudhunagar, Tamil Nadu- 626117, India Nationality: Indian Original Date of Appointment- September 18, 2022 Change in Designation: December 12, 2022 Period of Directorship: Liable to retire by rotation	Public Limited Company NIL Private Limited Company NIL

Brief Biographies of our Directors

Anandan Ilavarasu, aged 50 years is the Promoter, Chairman & Managing Director of S.A.Aanandan Mill Limited. He, graduated in Commerce from the University of Madras, Chennai and possess a Degree of Masters of Business Administration from Bharathiar University, Coimbatore. He founded S.A.Aanandan Mill Limited in Rajapalayam, Tamil Nadu in the year 1996. He is responsible for the overall management, finance, internal controls strategic decision of our Company. He is also the President of Rajapalayam Spinners Forum and Executive Committee Member of South India Mills Association, Madurai Spinners Association & a Special Invitee to the Governing Council of TEXPROCIL and a member of Indian Management Association.

Sudha Ilavarasu, aged 48 years, is Joint Managing Director of our Company. She holds a Bachelor's Degree in English Literature from Sri Parasakthi College for Women, Courtallam and is associated with our Company since the year 2000. She possesses 22 years of experience in handling Human Resources, Retail business, Building Maintenance functions apart from establishing Ethical practices amongst the workers, Environmental and Corporate Social responsibilities of the Company and continues to do so.

Chandrashekhar Guruswamy Aiyar - aged 72 years, is an Independent Non-Executive Director of our Company. He possesses Bachelor of Arts (Special) from Ramnarain Ruia College from University of Bombay and L.L.B Degree from University of Bombay. He is an Economist, Senior Editor and Policy Commentator, a global agribusiness and commodities market specialist.

Sathish Kumar A S, aged 56 years, is an Independent Non-Executive Director of our Company. He holds a Bachelor's Degree in Commerce from Madurai Kamaraj University and is an Associate Member of The Institute of Company Secretaries of India. He has overall experience of 30 years and held various Senior Management positions in Secretarial, Legal, Compliance, Global Corporate Governance, FEMA, Risk Management, Mergers & Acquisitions, International Finance, Treasury, Corporate Debt Restructuring, Commercial & Treasury across various Industry domains. Currently, he practices as a Company Secretary and appears before NCLT & NCLAT for various clients under the Indian Insolvency and Bankruptcy Code, 2016 (The IBC).

Chandrasekaran Rajasekaran aged 67 years, is an Non-Executive Director of our Company. He holds a Diploma of Textile Technology by State Board of Technical Education and training and possesses 33 years of experience in the Textile Industry. He has an overall experience of 42 years in working with various spinning mills Company.

Relationship between our Directors

Except as mentioned below, as on the date of this Draft Prospectus, none of our others Directors are related to each other as per section 2(77) of the Companies Act, 2013.

Director	Other Director	Relation
Anandan Ilavarasu	Sudha Ilavarasu	Spouse

Relationship between our Directors and KMPs

As on the date of this Draft Prospectus, none of our Directors and KMPs are related to each other, except stated below:

Name	Director	Relation
Anandan Ilavarasu	Sudha Ilavarasu	Spouse

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers and none of our Directors or members of senior management were appointed pursuant to any arrangement or understanding with any major shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company does not have any service contract with the Directors pursuant to which they are entitled to any benefits upon termination of employment.

Borrowing Powers of the Board

Pursuant to a special resolution passed at an Annual General Meeting of our Company held on September 29, 2014 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company will or may exceed in the aggregate, its paid up capital and free reserves (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100 Crores.

Terms and conditions of employment of our Executive Directors

Anandan Ilavarasu

He is a Chairman and Managing Director of our Company. His original date of appointment is July 23, 1996. There has been no change in his designation since his appointment. He is appointed for a period of Five (5)

consecutive years with effect from August 01, 2022 and shall not be liable to retire by rotation. His terms and conditions as approved by the Board of Directors at their meeting held on August 17, 2022 are laid down as under:

Particulars	Remuneration
Remuneration	₹ 2,00,000 per month. The Managing Director shall be entitled to such increment from time to time as the Board may by its discretion determine subject to the limits set out in Schedule V of Companies Act, 2013.

Sudha Ilavarasu

She is a Joint Managing Director of our Company. Her original date of appointment is March 09, 2000. Subsequently, her designation changed to Joint Managing Director with effect from August 31, 2022. She is appointed for a period of Five years with effect from August 31, 2022 and shall not be retire by rotation. Her terms and conditions as approved by the Board of Directors at their meeting held on August 17, 2022 are laid down as under:

Particulars	Remuneration
Remuneration	₹ 2,00,000 per month. The Joint Managing Director shall be entitled to such increment from time to time as the Board may by its discretion determine subject to the limits set out in Schedule V of Companies Act, 2013.

Remuneration paid to Executive Directors During the Financial Year ended March 31, 2022

(₹ in Lakhs)

Name of the Directors	2021-22
Anandan Ilavarasu	24.00
Sudha Ilavarasu	6.00

Payment or benefit to Non-Executive Directors and Independent Directors of our Company

Pursuant to Board resolution dated August 17, 2022 each Independent Director is entitled to receive sitting fees of ₹ 25,000 per meeting for attending meetings of the Board, and ₹ 10,000 per meeting for attending meetings of the committees.

Further, our Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations.

No sitting fees or commission was paid by our Company to any Independent Non-Executive Directors in Financial Year 2021- 2022.

Remuneration paid or payable to our Directors by our Subsidiaries

None of the Directors of our Company has been paid any remuneration by our Subsidiaries, including any contingent or deferred compensation accrued for Financial Year 2021-2022 since we do not have any subsidiaries.

Shareholding of Directors in our Company

As per our AOA, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as on the date of this Draft Prospectus is set forth below:

Name of director	Number of equity shares	Percentage of Pre-Issue Capital (%)
Anandan Ilavarasu	1,03,51,211	63.39
Sudha Ilavarasu	67,802	0.42
Total	1,04,19,013	63.81

Confirmations

None of our Directors is or was a Director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Draft Prospectus, during their term of directorship in such company.

None of our Directors is or was, a director of any listed companies, which has been or were delisted from any stock exchange(s), during their term of directorship in such company.

None of our Directors have been or was identified as a wilful defaulter or a fraudulent borrower as defined under SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Interest of Directors

All our Non-Executive Directors including Independent Director may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our Executive Directors deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as Directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer chapter titled “*Our Management - Shareholding of Directors in our Company*” on page 152 of this Draft Prospectus.

Other than our promoter Directors, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Except as stated in the chapter “*Business Overview*” on page 106 of this Draft Prospectus and in the chapter “*Restated Financial Statements*” on page 178 of this Draft Prospectus, none of our Directors have any interest in the property acquired or proposed to be acquired by our Company.

Except as stated in “*Restated Financial Statements*” on page 178 of this Draft Prospectus and as disclosed in this section, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Prospectus or is intended to be paid or given to any of our Directors except the remuneration for services rendered and/or sitting fees as Directors.

Bonus or profit-sharing plan for the Directors

None of the Directors are party to any bonus or profit-sharing plan of our Company.

Changes in the board of directors in the last three (3) years

There has been no change in the Board of Directors, except as stated below during the last three (3) years:

Sr. No	Name	Date & Nature of Change	Reason
1.	Sathish Kumar A S	April 05, 2022	Appointment as Additional Non- Independent Executive Director

Sr. No	Name	Date & Nature of Change	Reason
2.	Sathish Kumar A S	June 06, 2022	Change in designation as Non-Executive Independent Director
3.	Chandrashekhar Guruswamy Aiyar	May 26, 2022	Appointment as Additional Non-Executive Independent Director
4.	Chandrashekhar Guruswamy Aiyar	June 06, 2022	Change in designation as Non-Executive Independent Director
5.	Sudha Ilavarasu	May 26, 2022	Change in designation as Whole-time Director
6.	Sudha Ilavarasu	June 06, 2022	Change in designation as Non-Executive Independent Director
7.	Sudha Ilavarasu	August 31, 2022	Change in designation as Joint Managing Director.
8.	Chandrasekaran Rajasekaran	September 18, 2022	Appointment as Additional Non-Executive Director
9.	Chandrasekaran Rajasekaran	December 12, 2022	Change in designation as Non-Executive Director

Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on NSE EMERGE and shall be applicable to us immediately upon the listing of our Equity Shares with the NSE EMERGE. We are in compliance with the requirements of the applicable regulations, including SEBI Listing Regulations, SEBI regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions

Committees of the Board of directors

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee and (iv) Corporate Social Responsibility Committee

(i) Audit Committee

Our Company has constituted an Audit Committee as per Section 177 and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable Clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines vide resolution passed in the meeting of our Board dated October 13, 2022. The constitution of the Audit Committee is as follows:

Name of Directors	Position in the Committee	Designation
Sathish Kumar A S	Chairperson	Non-Executive Independent Director
Chandrashekhar Guruswamy Aiyar	Member	Non-Executive Independent Director
Anandan Ilavarasu	Member	Chairman & Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. 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 Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

Meetings of the Committee:

The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two independent members at each meeting.

Scope and Functions

- a) The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI Listing Regulations.
- b) The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board.
- c) 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 Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.
- d) The powers, roles, responsibilities and terms of reference of the Audit Committee shall include the following:
 - e) the recommendation for appointment, remuneration and terms of appointment of auditors of the company
 - f) review and monitor the auditor's independence and performance, and effectiveness of audit process
 - g) examination of the financial statement and the auditors' report thereon
 - h) approval, including omnibus approval, or any subsequent modification of transactions of the company with related parties.
 - i) transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board:

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it:

- (i) scrutiny of inter-corporate loans and investments;
- (ii) valuation of undertakings or assets of the company, wherever it is necessary;
- (iii) evaluation of internal financial controls and risk management systems;
- (iv) monitoring the end use of funds raised through public offers and related matters.

Powers and Roles

- (a) to investigate any activity within its terms of reference or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources
- (b) to seek information from any employee
- (c) to obtain outside legal or other professional advice; and

- (d) The audit committee may invite such of the executives as it considers appropriate (and particularly the head of the finance function) to be present at the meeting of the committee, but on occasions it may also meet without the presence of any executive
- (e) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (f) such other powers as may be prescribed under the Companies Act and Listing Regulations.

The role of Audit Committee are as under:

- 1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Modified opinion(s) 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, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 7) Review and monitor the auditor's independence, performance and effectiveness of audit process.
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 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 any significant findings and follow up there on.

- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 18) To review the functioning of the Whistle Blower mechanism.
- 19) Approval of appointment of 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 is mentioned in the terms of reference of the Audit Committee.
- 21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
- 22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- 23) Carrying out any other functions required to be carried out by the Audit Committee as contained in the Listing Regulations or any other applicable law, as and when amended from time to time.
- 24) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- c) Internal audit reports relating to internal control weaknesses; and
- d) The appointment, removal and terms of remuneration of the Internal auditor shall be subject to review by the Audit Committee.
- e) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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.

(ii) Nomination and Remuneration Committee

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines, in the meeting of the Board of

Directors held on October 13, 2022. The Nomination and Remuneration Committee presently consists of the following Directors of the Board

Name of Director	Position in the Committee	Designation
Sathish Kumar A S	Chairperson	Non-Executive Independent Director
C Rajasekharan	Member	Non-Executive Director
Chandrashekhar Guruswamy Aiyar	Member	Non-Executive Independent Director

Tenure:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

Meetings:

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

Role of Terms of Reference:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “Board” or “Board of Directors”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“Remuneration Policy”).

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a) use the services of an external agencies, if required;
- b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c) consider the time commitments of the candidates.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- (2) Formulation of criteria for evaluation of the performance of the independent directors and the Board;
 - (3) Devising a policy on Board diversity;
 - (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 their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
 - (5) Determining 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) To recommend, implement, design, execute, approve schemes of ESPS, ESOP, SAR, Sweat Equity and do all other activities;
- (7) Recommend to the board, all remuneration, in whatever form, payable to senior management;
- (8) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.”
- (9) Analysing, monitoring and reviewing various human resource and compensation matters;
- (10) Deciding 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;
- (11) Determining the Company’s policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (12) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
- (13) Administering, monitoring and formulating detailed terms and conditions of the employee stock option scheme, if any, of the Company;
- (14) Reviewing and approving the Company’s compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (15) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;
- (16) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including: (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and
- (17) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.
- (18) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (a) use the services of an external agencies, if required;
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (c) consider the time commitments of the candidates.

(iii) Stakeholders Relationship Committee

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015, in the meeting of Board of Directors dated October 13, 2022. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

Name of Director	Position in the Committee	Designation
Sudha Illavarasu	Chairman	Joint Managing Director
Chandrashekhar Guruswamy Aiyar	Member	Non-Executive Independent Director
C Rajasekharan	Member	Non-Executive Director

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

Tenure:

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

Meetings:

The Stakeholders Relationship Committee is required to meet at least once a year and report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

Terms of Reference:

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders Relationship Committee are as follows.

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.
- To approve, register, refuse to register transfer or transmission of shares and other securities;
- To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

- (k) Allotment and listing of shares;
- (l) To authorise affixation of common seal of the Company;
- (m) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- (n) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- (o) Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
- (p) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

(iv) Corporate Social Responsibility Committee

Our Company has constituted the Corporate Social Responsibility Committee in terms of the provisions of Companies Act, 2013 vide its Circular by Resolution dated October 15, 2022. The Corporate Social Responsibility Committee presently consists of the following Directors of the Board:

Name of Director	Position in the Committee	Designation
Chandrashekhar Guruswamy Aiyar	Chairman	Non-Executive Independent Director
Anandan Ilavarasu	Member	Chairman & Managing Director
Sudha Ilavarasu	Member	Joint Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Corporate Social Responsibility Committee.

Tenure:

The Corporate Social Responsibility Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Corporate Social Responsibility Committee as approved by the Board.

Meetings:

The Corporate Social Responsibility Committee is required to meet at least once a year and report to the Board on a quarterly basis regarding the status of fulfilment of CSR initiatives. The quorum shall be two members present.

Terms of Reference:

The scope and function of the Corporate Social Responsibility Committee are as follows.

1. To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
2. To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
3. To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
4. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities; and
5. To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes.

To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

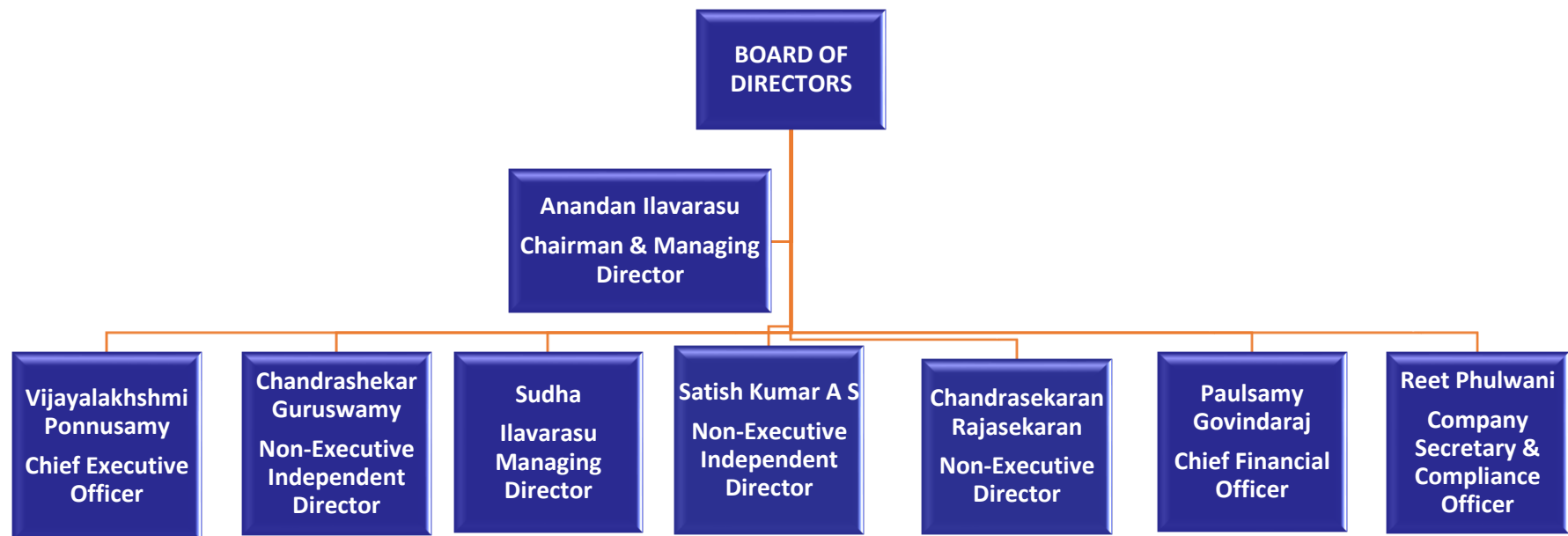
The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the EMERGE Platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations,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

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

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

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on EMERGE Platform of National Stock Exchange of India Limited. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the EMERGE Platform of NSE. The Board of Directors at their meeting held on April 05, 2022 have approved and adopted the policy for determination of materiality of events or information and policy on materiality of of related party transactions and on dealing with related party transactions.

Management Organization Structure



Our Key Managerial Personnel

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

Brief Profile of Key Managerial Personnel:

Anandan Ilavarasu, Managing Director

For the complete profile of Anandan Ilavarasu, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see section “*Our Management - Brief Biographies of our Directors*” on page 152 of this Draft Prospectus.

Sudha Ilavarasu, Joint Managing Director

For the complete profile of Sudha Ilavarasu along with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see section “*Our Management - Brief Biographies of our Directors*” on page 152 of this Draft Prospectus.

Vijayalakshmi Ponnusamy, Chief Executive Officer

Vijayalakshmi Ponnusamy, aged 45 years is the Chief Executive Officer of our Company. She holds a Diploma in Electronics & Communication Engineering and has more than 25 years of experience in Electronics, Automobile & Textile Industries. She has been associated with our Company since 2002 and currently responsible for Procurement, Sales & Marketing, Finance & Accounts, Factory Management and Logistics functions.

Reet Phulwani, Company Secretary & Compliance Officer

Reet Phulwani, aged 29 years is the Company Secretary & Compliance Officer of our Company. She holds a Bachelor’s Degree in Commerce from Rajasthan University and is an Associate Member of The Institute of Company Secretaries of India. She has been associated with our Company since May 26, 2022. She has a total experience of around 1 year in Secretarial. She is responsible of the Secretarial and Corporate Governance functions of our Company.

Paulsamy Govindaraj, Chief Financial Officer

Paulsamy Govindaraj, aged 46 years is the Chief Financial Officer of our Company. He holds a degree of Bachelor of Commerce and Master’s degree of Commerce from Madurai Kamaraj University. He has been associated with our Company since June 24, 2022 as Head of Accounts and Finance and he has been re-designated as Chief Financial Officer by the Board by passing Circular Resolution on October 15, 2022. He has experience of over 23 years in various areas of Finance, Accounts, Treasury, Banking & Taxation.

Nature of any family relation between any of the key managerial personnel

Except as mentioned below, as on the date of this Draft Prospectus, none of our Key Managerial Personnel are related to each other:

Name of the KMPs	Name of the KMPs	Relation
Anandan Ilavarasu	Sudha Ilavarasu	Spouse

Arrangement or understanding with major shareholders, customers, suppliers or others

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as a Key Managerial Personnel.

Compensation paid to Key Managerial Personnel during last financial year i.e., 2021-22

For details with respect to the compensation paid to our Key Managerial Personnel during preceding Financial Year 2021-22 refer “*Terms and conditions of employment of our Executive Directors*” of our Company on page 178 and “*Restated Financial Statements*” on page 178 of this Draft Prospectus.

Anandan Ilavarasu and Sudha Ilavarasu are the Executive Directors and Key Managerial Personnel of our Company, for details of the compensation / remuneration paid to our Key Managerial Personnel during preceding Financial Year 2021-22 refer “*Our Management*” on page 152 and “*Restated Financial Statement*” on page 178 of this Draft Prospectus.

Vijayalakshmi Ponnusamy has been appointed as Chief Executive Officer w.e.f June 13, 2022. Hence, She has not received remuneration during preceding Financial Year 2021-22.

Reet Phulwani has been appointed as Company Secretary and Compliance Officer w.e.f May 26, 2022. Hence, she has not received remuneration during preceding Financial Year 2021-22.

Paulsamy Govindaraj has been appointed as Chief Financial Officer w.e.f. October 15, 2022. Hence, she has not received remuneration during preceding Financial Year 2021-22.

Bonus or profit-sharing plan for Key Managerial Personnel

None of the Key Management Personnel is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

Contingent and Deferred Compensation payable to our Directors and Key Managerial Personnel

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form part of their remuneration.

Status of Permanent Employment of KMPs

All the key managerial personnel mentioned above are permanent employees of our Company.

Shareholding of the Key Managerial Personnel

None of the Key Managerial Personnel holds Equity Shares of our Company as on the date of this Draft Prospectus *except*

Sr. No.	Name of Key Managerial Personnel	Number of Equity Shares
1.	Anandan Ilavarasu	1,03,51,211
2.	Sudha Ilavarasu	67,802
	Total	1,04,19,013

Changes in Key Managerial Personnel During Last Three (3) Years

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three (3) years:

Sr. No.	Name	Date of Change in Designation / Appointment	Reason
1.	Vijayalakshmi Ponnusamy	June 13, 2022	Appointed as Chief Executive Officer
2.	Reet Phulwani	May 26, 2022	Appointed as Company Secretary and Compliance Officer
3.	Paulsamy Govindaraj	June 24, 2022	Appointed as Chief Financial Officer

Attrition of Key Managerial Personnel

The attrition of key management personnel is not high in our Company compared to the industry.

Employees' Stock Option or or Employee Stock Purchase Scheme

As on date of this Draft Prospectus, our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.

Service Contracts with KMPs.

Our Company does not have any service contract with the KMP pursuant to which they are entitled to any benefits upon termination of employment.

Payment of Benefits to of Our KMPs (*non-salary related*)

Except as disclosed in this Draft Prospectus other than any statutory payments made by our Company to its KMPs in last three (3) Preceding Financial Years, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees. For further details, please refer section titled '*Restated Financial Statements*' beginning on page 178 of this Draft Prospectus.


OUR PROMOTER AND PROMOTER GROUP

OUR PROMOTER

The Promoter of our Company is Anandan Ilavarasu.

As on the date of this Draft Prospectus, our Promoter holds in aggregate 63.39% Equity Shares of face value ₹10/- each, representing 1,03,51,211 Equity Shares of the issued, subscribed and paid-up Equity Share Capital of our Company. For details, see the section “*Capital Structure – Details of Shareholding of our Promoter and members of the Promoter Group in the Company – Build-up of the Promoter’s shareholding in our Company*” beginning on page 70 of this Draft Prospectus.

BRIEF PROFILE OF OUR PROMOTER IS AS FOLLOWS:

	<p>Anandan Ilavarasu - aged 51 years, is our Promoter and Chairman and Managing Director of our Company.</p> <p>Address: 37A, P.S.K Nagar, K R Nagar Post, Rajapalayam, Virudhunagar 626108 Tamil Nadu.</p> <p>Date of Birth: April 06, 1972</p> <p>For the Complete Profile of Anandan Ilavarasu i.e, his date of birth, personal address educational qualifications, professional experience, positions / posts held in the past and other directorships, special achievements, business and other activities, see “<i>Our Management</i>” on page 152 of this Draft Prospectus.</p>
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DECLARATION

Our Company confirms that the Permanent Account Number (PAN), Aadhar Card Number, Driving License Number, Bank Account Number(s) and Passport Number(s) of our Promoter shall be submitted to Emerge Platform of National Stock Exchange of India Limited at the time of filing this Draft Prospectus.

OTHER VENTURES OF OUR PROMOTER

Other than as disclosed in this section “*Our Promoter and Promoter Group*” and “*Our Group Companies*” on page 170 and 174 of this Draft Prospectus, our Promoter is not involved in any other ventures.

CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

There has not been any effective change in the management and control of our Company in the five years immediately preceding the date of this Draft Prospectus.

INTEREST OF PROMOTER

Interest in Promotion of our Company

Our Company is promoted by Anandan Ilavarasu who holds 1,03,51,211 Equity Shares of our Company as of the date of this Draft Prospectus.

Our Promoter is interested in our Company to the extent of the promotion of our Company and to the extent of his shareholdings in our Company and the shareholding of his relatives in our Company and employment

related benefits paid by our Company i.e., remuneration and reimbursement of expenses payable to them in such capacities. For further details, please refer section titled “**Capital Structure**” and “**Management**” beginning on pages 70 and 152, respectively of this Draft Prospectus.

Our Promoter is also interested in our Company to the extent of being Directors of our Company and the remuneration and reimbursement of expenses payable to them in such capacities.

Our Promoter may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company and also to the extent of unsecured loans.

No sum has been paid or agreed to be paid to our Promoter and our Promoter is not interested as member of any firm or any company and hence no sum has been paid or agreed to be paid to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoter or by such firm or company in connection with the promotion or formation of our Company.

Further, our Promoter is also Director on the board, or is shareholder, member or partner, of certain entities forming part of the Promoter Group, Group Company and other entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to such entities forming part of the Promoter Group, Group Company and such other entities. For the payments that are made by our Company to certain entities forming part of the Promoter Group, Group Company and other related parties, see “**Summary of Draft Prospectus – Summary of Related Party Transactions**” and “**Our Group Company**” page number 18 & 174 respectively of this Draft Prospectus.

Our Promoter is not interested in any transaction in acquisition of land, construction of building or supply of machinery.

For further details regarding the payments made by our Company to the entities mentioned above, see “**Summary of Draft Prospectus – Summary of Related Party Transactions**” on page 18 of this Draft Prospectus.

For further details, please refer section titled “**Capital Structure**”, “**Restated Financial Statement**” and “**Our Management**” on pages 70, 178 and 152, respectively of this Draft Prospectus.

Interest in the properties of our Company

Except as mentioned in the chapter titled “**Business Overview**” and in the chapter titled “**Restated Financial Statement**” on page 106 and 178 respectively of this Draft Prospectus, none of our Promoter and Members of Promoter Group have any interest in any property acquired by or proposed to be acquired by our Company during a period of three (3) years prior to filing of the Draft Prospectus.

Other Interest

Except as mentioned in the chapter titled “**Restated Financial Statements**”, and “**Business Overview**” on page 178 and 106 respectively of this Draft Prospectus, our Promoter is not interested in any transaction for acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

INTEREST OF DIRECTORS

For further details please refer Chapter “**Our Management**” on page 152 of this Draft Prospectus.

INTEREST OF GROUP COMPANY

For further details please refer Chapter “**Our Group Companies**” on page 174 of this Draft Prospectus.

PAYMENT OR BENEFITS TO OUR PROMOTER AND PROMOTER GROUP DURING THE LAST TWO YEARS

Except in the ordinary course of business and as stated in section “*Restated Financial Statements*” beginning on page 178 of this Draft Prospectus, there has been no payment or benefits to our Promoter during the two (2) years preceding the date of filing of this Draft Prospectus, nor there is any intention to pay or give any benefit to our Promoter and Promoter Group as on the date of this Draft Prospectus.

EXPERIENCE OF OUR PROMOTER IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoter in the business of our Company, see Section titled “*Business Overview*” and “*Our Management*” on page no. 106 and 152 respectively of this Draft Prospectus.

RELATED PARTY TRANSACTIONS

For the transactions with our Group companies, please refer to section titled “*Annexure – [●] - Related Party Transactions*” on page 178 of this Draft Prospectus.

OUTSTANDING LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoter, please refer section titled “*Outstanding Litigation and Material Developments*” on page 218 of this Draft Prospectus.

MATERIAL GUARANTEES

Except as stated in the chapter titled “*Financial Indebtedness*” and section titled “*Restated Financial Statements*” beginning on page 215 and 178 of this Draft Prospectus, respectively, there are no material guarantees given by our Promoter to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

COMPANIES WITH WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST THREE (3) YEARS

Our Promoter has not disassociated himself from any firms or companies in the last three (3) years preceding this Draft Prospectus.

CONFIRMATIONS

Our Promoter have not been declared as Wilful Defaulter or Fraudulent Borrower or Fugitive Economic offender.

Our Promoter and members of our Promoter Group 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.

Our Promoter are not and have never been Promoters, Directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018, is as under:

A. *The natural persons who are part of the Promoter Group (due to their relationships with our Promoter), other than our Promoter, are as follows:*

Relationship with Promoter	Anandan Ilavarasu
Father	Late S.A. Anandan
Mother	Late Unnamalai Ammal
Brother	A Arunmoli

Relationship with Promoter	Anandan Ilavarasu
Sister	M Tamilselvi Late K Malar kodi
Spouse	Sudha Ilavarasu
Son	Sachin Aanandh I
Daughter	I Shilpaa
Spouse's Father	Balasubramaniam Arumugaperumal
Spouse's Mother	Jayamani Balasubramaniam
Spouse's Brother	N.A.
Spouse's Sister	B Praba A Radhika Anitha Shanmugavadivel B Sudharsana

The aforementioned persons are 'immediate relatives' of our Promoter but as such do not form part of Promoter Group of our Company.

B. Our Promoter Group as defined under Regulation 2(1) (pp) of SEBI ICDR Regulations 2018 includes entities, companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:

- Nachiar Spinning Mills Private Limited
- Jaya Nachiar Textile Mills Private Limited
- Nachiar Heath Care Fabrics Private Limited
- Nachiar Healthcare Fabrics Private Limited
- Shilpa Impex Pte Limited

SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY

For details of the shareholding of our Promoters and Promoter Group as on the date of this Draft Prospectus, please refer chapter titled “*Capital Structure*” on page 70 of this Draft Prospectus.

OUR GROUP COMPANIES

As per the SEBI ICDR Regulations, for the purpose of identification of group companies, our Company has considered (i) companies (other than our Subsidiaries) with which our Company has entered into related party transactions during the period for which the Restated Financial Information has been included in this Draft Prospectus, *i.e.*, Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020, as covered under the applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer Company.

Accordingly, for (i) above, all such companies (other than our Subsidiaries) with which there were related party transactions during the periods covered in the Restated Financial Statement, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

Further, pursuant to the resolution dated April 05, 2022 passed by our Board, other than the companies categorized under (i) above, a company shall be considered “material” and will be disclosed as “group companies” if such companies form part of the Promoter Group and with which there were transactions in the most recent financial year (or relevant sub period, if applicable), which individually or in the aggregate, exceed 5% of the total profit after tax of our Company, as per the Restated Financial Statement.

Accordingly, on the basis of the Materiality Policy for identification of Group Companies, the following company has been identified as our Group Company (“Group Company”):

OUR GROUP COMPANY

1. Shilpa Impex Private Limited
2. Jaya Nachiar Textile Mills Private Limited
3. Nachiar Health Care Fabrics Private Limited
4. Nachiar Spinning Mills Private Limited

I. Shilpa Impex Private Limited

Corporate Information

Shilpa Impex Private Limited was incorporated on June 04, 2007. The Company Number of Shilpa Impex Private Limited is 200705642E issued by Accounting and Corporate Regulatory Authority (ARCA). Its registered office is situated at Republic of Singapore.

Financial Performance

Shilpa Impex Private Limited does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited financial statements for the preceding three years (for which audit has been done as on date of this Draft Prospectus) shall be hosted on the website of our Company at <http://www.saaindia.com/>.

II. Jaya Nachiar Textile Mills Private Limited

Corporate Information

Jaya Nachiar Textile Mills Private Limited was incorporated on March 03, 1998. The Corporate Identification Number of Jaya Nachiar Textile Mills Private Limited is U17122TN1998PTC040019 issued by Registrar of Companies, Chennai. Its registered office is situated at 547/15, Rajapalayam Road, Chatrapatti, Tamil Nadu- 626102, India.

Financial Performance

Jaya Nachiar Textile Mills Private Limited does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings

per share; and (vi) net asset value, based on the audited financial statements for the preceding three years (for which audit has been done as on date of this Draft Prospectus) shall be hosted on the website of our Company at <http://www.saaindia.com/>.

III. Nachiar Health Care Fabrics Private Limited

Corporate Information

Nachiar Health Care Fabrics Private Limited was incorporated on May 06, 2002. The Corporate Identification Number of Jaya Nachiar Textile Mills Private Limited is U24236TN2002PTC048884 issued by Registrar of Companies, Chennai. Its registered office is situated at 547/15, Rajapalayam Road, Post Box No.2, Chatrapatti, Tamil Nadu- 626102, India.

Financial Performance

Nachiar Health Care Fabrics Private Limited does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited financial statements for the preceding three years (for which audit has been done as on date of this Draft Prospectus) shall be hosted on the website of our Company at <http://www.saaindia.com/>.

IV. Nachiar Spinning Mills Private Limited

Corporate Information

Nachiar Spinning Mills Private Limited was incorporated on June 26, 1987. The Corporate Identification Number of Nachiar Spinning Mills Private Limited is U17117TN1987PTC014580 issued by Registrar of Companies, Chennai. Its registered office is situated at 547/15, Rajapalayam Road, Chatrapatti, Tamil Nadu- 626102, India.

Financial Performance

Nachiar Spinning Mills Private Limited does not have a website. Information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited financial statements for the preceding three years (for which audit has been done as on date of this Draft Prospectus) shall be hosted on the website of our Company at <http://www.saaindia.com/>

Litigation

Our Group Company is not party to any pending litigation which may have a material impact on our Company. For details, see “*Outstanding Litigation and Material Developments – Litigations involving Group Companies*” on page 218 of this Draft Prospectus.

Nature and extent of interest of Group Companies

Our Group Companies do not have any interest in the promotion of our Company.

Our Group Companies are not interested in the properties acquired by our Company in the three (3) years preceding the filing of this Draft Prospectus or proposed to be acquired by our Company.

Our Group Companies are not interested in any transactions for acquisition of plant, construction of building or supply of machinery.

Common Pursuits

Our Group Companies and of our subsidiaries are either engaged in or are authorised by their respective constitutional documents to engage in the same line of business as that of our Company. We will adopt the necessary procedures and practices as permitted by law to address any conflict situation, if and when they arise.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in the section titled “***Restated Financial Statement - Related Party Transactions***” on page 178 of this Draft Prospectus, there are no other business transactions between our Company and Group Companies.

Business interests or other interests

Except as disclosed in the section “***Restated Financial Statements - Restated Financial Information***” at page 178 of this Draft Prospectus, our Group Company do not have or propose to have any business interest in our Company

Other Confirmations

The equity shares of our Group Company are not listed on any stock exchange. Our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Prospectus. For further details, please see the section “***Other Regulatory and Statutory Disclosures***” beginning on page 229 of this Draft Prospectus.

None of the securities of our Group Company has been refused listing by any stock exchange in India or abroad during last ten years, nor has our Group Company failed to meet the listing requirements of any stock exchange in India or abroad.

There are no material existing or anticipated transactions in relation to the utilisation of the Offer Proceeds with our Group Company.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled “***Financial Indebtedness***” on page 215 of this Draft Prospectus.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.

SECTION VI – FINANCIAL STATEMENTS

RESTATED FINANCIAL STATEMENT

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**Independent Auditor's Examination Report on Restated Financial Information of
S.A.Aanandan Mill Limited**

To,

The Board of Directors
S.A.Aanandan Mill Limited
100, Srivilliputhur Road
Padikasuvaithanpatti Village
Mamsapuram
Rajapalayam 626 110
Virudhunagar District

Dear Sirs,

1. We have examined the attached Restated Financial Information of S.A.Aanandan Mill Limited, (formerly known as S.A.Aanandan Spinning Mills Private Limited) (the "Company" or the "Issuer") comprising the Restated Statement of Assets and Liabilities as at July 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Statement of Profit and Loss and the Restated Cash Flow Statement for the 4 months Period ended 31st July 2022 and years ended March 31, 2022, March 31, 2021 and March 31, 2020, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 07th November, 2022 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO"), prepared in terms of 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").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Prospectus/ Prospectus to be filed with the Stock Exchanges and Registrar of Companies, Chennai, Tamil Nadu in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure H to the Restated Financial Information. The responsibility of the Board of Directors of the company 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.
3. We have examined such Restated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated August 17, 2022 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.
4. These Restated Financial Information have been compiled by the management from:
 - a) Audited Special Purpose Interim Financial statements of the company as at and for the 4 months period ended July 31, 2022 prepared in accordance with Accounting Standard AS-25 "Interim Financial Reporting", specified under Section 133 of the Act and other Accounting principles generally accepted in India (the "Special Purpose Interim Financial Statement") which have been approved by the Board of Directors at their meeting held on 07th November, 2022.

- b) Audited financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 prepared in accordance with the Accounting Standards (Indian GAAP) as prescribed under Section 133 of the Act, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors.
5. We have audited the Special purpose Financial Information of the Company for the year ended March 31, 2022 prepared by the company in accordance with Accounting Standards for the limited purpose of complying with the requirement of getting its financial statement audited by an audit firm holding a valid Peer Review Certificate issued by the “Peer review Board” of the ICAI as required by the ICDR Regulations in relation to the proposed IPO. We have issued our Report dated November 07, 2022 on these special purpose financial information to the Board of Directors who have approved these in their meeting held on November 07, 2022.
6. For the purpose of our examination, we have relied on:
- a) Auditors’ Report issued by us dated November 07, 2022 as at and for 4 months period ended July 31, 2022, and as at and for the year ended 31st March, 2022, as referred in Paragraph 4(a) and 5 above; and
 - b) Auditors’ Report issued by the previous auditors, Narayanaswamy & Associates, Chartered Accountants dated September 01, 2021 and dated November 20, 2020 on the financial statements of the Company as at and for the years ended 31st March, 2021 and 31st March, 2020, respectively, as referred in Paragraph 4(b) above.

The audit for the financial years ended March 31, 2021 and March 31 2020 were conducted by the Company’s previous auditors Narayanaswamy & Associates, Chartered Accountants (the “Previous Auditors”) and accordingly 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 Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the “2021 & 2020 Restated Financial Information”) examined by them for the said years. The examination report included for the said years is based solely on the reports submitted by the Previous Auditors.

7. Based on our examination and according to the information and explanations given to us, we report that the restated financial information:
- a) have been arrived at after making such adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and groupings/reclassifications followed as at and for the 4-month period ended 31st July, 2022
 - b) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
 - c) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
 - d) There were no qualifications in the Audit Reports issued by us for the period ended July 31, 2022 and by the then Statutory Auditors as at and for the years ended on March 31, 2022, March 31, 2021 and March 31, 2020, except to their reference to non-provision of gratuity liability;
 - e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies as set out in **Annexure H** to this report;
 - f) The company has changed the policy of valuation of inventory relating to Finished Goods and Textiles Stock from Lower of Market Rate or NRV to Lower of Cost and NRV and the financial impact of such change has been adjusted appropriately in the Restated Financial Statements.
 - g) The company has revalued its Land in the year 2014 and increase due to such revaluation has been credited to Revaluation Reserve. No revaluation has been undertaken by the company since then.

- h) The company has not proposed any dividend in past effective for the said period.
8. 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 statement and audited financial statement mentioned in para 4 & 5.
9. This report should not in any way be construed as a reissuance of previous audit reports issued by us or the previous auditors nor should this report be construed as a new opinion on any financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Prospectus/Prospectus to be filed with the stock exchanges and Registrar of Companies, Chennai, Tamil Nadu in connection with the proposed 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.
12. 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 for the 4 months period ended July 31, 2022 and for the years ended March 31, 2022, March 31, 2021 and March 31 2020 proposed to be included in the Draft Prospectus/Prospectus.

Annexure	Particulars
A	Restated Statement of Assets & Liabilities
A1	Restated Statement of Share Capital
A2	Restated Statement of Reserves & Surpluses
A3	Restated Statement of Long-term borrowings
A4	Restated Statement of Other Long-term Liabilities
A5	Restated Long-term provisions
A6	Restated Statement of Short-Term Borrowings

A7	Restated Statement of Trade Payable
A8	Restated Statement of Other Current Liabilities
A9	Restated Statement of Short-Term Provisions
A10	Restated Statement of Property, Plant and Equipment & Intangible Assets & Depreciations
A11	Restated Statement of Non-Current Investment
A12	Restated Statement of Deferred Tax Assets
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A15	Restated Statement of Inventories
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A17	Restated Statement of Cash & Cash Equivalent
A18	Restated Statement of Short-Term Loans and Advances
A19	Restated Statement of Other Current Assets
B	Restated Statement of Profit & Loss
B1	Restated Statement of Revenue from operations
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B3	Restated Statement of Materials Consumed
B4	Restated Statement of Changes in Inventories of Finished Goods, WIP & Stock-in-Trade
B5	Restated Statement of Employees Benefit Expenses
B6	Restated Statement of Financial Cost
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C	Statement of Material Adjustment to the Restated Financials.
D	Statement of Tax Shelter, As Restated
E	Restated Statement of Contingent Liabilities
F	Statement of Accounting & Other Ratios, As Restated
G	Statement of Related Parties & Transactions
H	Statement of Significant Accounting Policies

GRANDMARK & ASSOCIATES
CHARTERED ACCOUNTANTS

9, 1st Floor, East Periasamy Road
R S Puram, Coimbatore 641 002
Tel: +91 422 4366551 / 2545501 – 3
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www.grandmarkca.com

13. We, G R A N D M A R K & 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 which is valid till January 29, 2024.

For G R A N D M A R K & ASSOCIATES
Chartered Accountants
Firm Reg. No: 011317N
PRC No: 012124

CA D Venkataramanan
Senior Partner
Membership No: 204728
Place: Coimbatore

Date: November 07, 2022

UDIN: 22204728BCVCSK6592

S.A.Aanandan Mill Ltd (Previously Known as S.A.Aanandan Spinning Mills Private Limited)					
RESTATED STATEMENT OF ASSETS AND LIABILITIES					
PARTICULARS	Annexure	AS AT			
		Jul-22	Mar-22	Mar-21	Mar-20
I. EQUITY AND LIABILITIES		Amount - Rs. lakhs			
(1) Shareholder's Funds					
(a) Share Capital	A1	977.85	977.85	977.85	977.85
(b) Reserves and Surplus	A2	1675.10	1312.51	202.44	-257.15
(c) Money received against share warrants					
(2) Share application money pending allotment					
(3) Non-Current Liabilities					
(a) Long-term borrowings	A3	1480.22	1612.93	1248.20	614.71
(c) Other Long term liabilities	A4	18.29	16.67	16.67	16.62
(d) Long term provisions	A5	22.52	16.38	-	-
(4) Current Liabilities					
(a) Short-term borrowings	A6	4045.28	3904.98	3918.20	4872.12
(b) Trade payables	A7				
(A) Total outstanding dues of micro enterprises and small enterprises;and					
(B) Total outstanding dues of Creditors other than micro enterprises and small enterprises		456.17	1253.39	918.84	1012.37
(c) Other current liabilities	A8	134.42	186.94	337.52	158.29
(d) Short-term provisions	A9	206.36	75.28	-	-
TOTAL		9016.20	9356.92	7619.72	7394.81
II.ASSETS					
(1) Non-current assets					
(a) Property,Plant & Equipments and Intangible Assets					
(i) Property,Plant & Equipments	A10	2340.47	2340.38	2298.58	2501.26
(ii) Intangible assets					
(iii) Capital work-in-progress					
(iv) Intangible assets under development					
(b) Non-current investments	A11	1.40	1.40	1.40	1.40
(c) Deferred tax assets (net)	A12	17.23	49.58	261.90	209.36
(d) Long term loans and advances	A13	39.61	24.21	-	-
(e) Other non-current assets	A14	127.36	124.80	85.99	71.79
(2) Current assets					
(a) Current investments		-	-	-	-
(b) Inventories	A15	4005.77	4261.94	3797.55	3352.67
(c) Trade receivables	A16	1043.11	1197.21	722.38	846.83
(d) Cash and cash equivalents	A17	198.06	191.01	86.04	135.45
(e) Short-term loans and advances	A18	867.10	710.21	221.89	245.16
(f) Other current assets	A19	376.09	456.19	143.98	30.91
TOTAL		9016.20	9356.92	7619.72	7394.81

Approved by the Audit Committee at its meeting held October 25, 2022 & by the Board of Directors at its meeting held on November 07, 2022

As per our Examination Report of even date attached.

For **S.A.Aanandan Mill Limited**

For **G R A N D M A R K & ASSOCIATES**
Chartered Accountants
Firm Reg. No: 011317N
PRC No: 012124

Sd/-
A. Ilavarasu
Chairman & Managing Director
DIN: 02443124

Sd/-
CA D Venkataramanan
Senior Partner
Membership No:204728

Sd/-
Mrs. I Sudha
Jt. Managing Director
DIN: 01816949

Place: Coimbatore
Date: November 07, 2022

Sd/-
P Govindaraj
Chief Financial Officer

UDIN: 22204728BCVCSK6592

Sd/-
Mrs. P Vijayalakshmi
Chief Executive Officer

Sd/-
Ms. Reet Phulwani
Company Secretary

S.A.Aanandan Mill Ltd (Previously Known as S.A.Aanandan Spinning Mills Private Limited) RESTATED STATEMENT OF PROFIT AND LOSS						
PARTICULARS	Annexure	Period Ended	Year Ended			
		Jul-22	Mar-22	Mar-21	Mar-20	
						Amount - Rs. in lakhs
I. Revenue from operations	B1	5627.59	16529.29	13860.59	13566.28	
II. Other Income	B2	90.25	187.80	22.05	20.29	
III. Total Revenue (I + II)		5717.85	16717.09	13882.64	13586.57	
IV. Expenses:						
Cost of materials consumed	B3	3186.52	11515.57	8925.79	8788.28	
Purchase of Stock-in-Trade		500.44	1438.51	1294.50	1412.59	
Changes in inventories of FG, WIP & Stock in Trade	B4	331.99	-1434.73	112.10	608.65	
Employee benefit expense	B5	282.62	1035.37	816.71	990.15	
Finance costs	B6	132.19	553.70	711.75	692.72	
Depreciation and amortization expense	B7	37.14	109.64	275.63	337.47	
Other expenses	B8	720.37	2016.42	1349.21	1398.53	
Total Expenses		5191.26	15234.49	13485.69	14228.39	
V. Profit before exceptional and extraordinary items and tax (III - IV)		526.59	1482.60	396.95	-641.83	
VI. Exceptional Items		-	-	10.10	27.99	
VII. Profit before extraordinary items and tax (V - VI)		526.59	1482.60	407.05	-613.84	
VIII. Extra Ordinary/Prior Period Items		-	-74.21	-	-	
IX. Profit before tax (VII - VIII)		526.59	1408.39	407.05	-613.84	
X. Tax expense:						
(1) Current tax		131.65	86.00			
(2) Deferred tax	B9	32.35	212.32	-52.54	-96.17	
XV. Profit/(Loss) for the period (XI + XIV)		362.59	1110.07	459.59	-517.67	
XVI. Earnings per share (of Rs.10/- each):						
(a) Basic		3.71	11.35	4.70	-5.29	
(b) Diluted		3.71	11.35	4.70	-5.29	
XVII. Earnings per share (excluding extraordinary items) (of Rs.10/- each):						
(a) Basic		3.71	12.11	4.70	-5.29	
(b) Diluted		3.71	12.11	4.70	-5.29	

Approved by the Audit Committee at its meeting held October 25, 2022 & by the Board of Directors at its meeting held on November 07, 2022

As per our Examination Report of even date attached.

For **G R A N D M A R K & ASSOCIATES**
Chartered Accountants
Firm Reg. No: 011317N
PRC No: 012124

Sd/-
CA D Venkataramanan
Senior Partner
Membership No:204728

Place: Coimbatore
Date: November 07, 2022

UDIN: 22204728BCVCSK6592

For **S.A.Aanandan Mill Limited**

Sd/-
A. Ilavarasu
Chairman & Managing Director
DIN: 02443124

Sd/-
Mrs. I Sudha
Jt. Managing Director
DIN: 01816949

Sd/-
P Govindaraj
Chief Financial Officer

Sd/-
Mrs. P Vijayalakshmi
Chief Executive Officer

Sd/-
Ms. Reet Phulwani
Company Secretary

S.A.Aanandan Mill Ltd
(Previously Known as S.A.Aanandan Spinning Mills Private Limited)
RESTATED CASHFLOW STATEMENT

S.No	Particulars	Period Ended	For the year ended			
		Jul-22	Mar-22	Mar-21	Mar-20	
A	CASH FLOWS FROM OPERATING ACTIVITIES					<i>Amount - Rs. in lakhs</i>
	Net Profit after Tax and Extra-ordinary items	362.59	1110.06	459.59	-517.66	
	Adjustments for Non-Operating items & Non-Cash items					
	Add :					
	Depreciation & Amortization	37.14	109.64	275.63	337.47	
	Finance Cost	132.19	553.70	711.75	692.72	
	Income Tax	131.65	86.00			
	Total	300.97	749.35	987.37	1030.19	
	Less :					
	Interest received on Deposits	-	2.07	4.78	7.63	
	Profit on sale of asset	1.21	4.49	10.10	27.99	
	Forex Gain	77.18	123.61	-	-	
	Total	78.39	130.17	14.88	35.62	
	Cash flow from operating activity before working capital changes	585.18	1729.24	1432.09	476.91	
	Adjustment for changes in Working Capital					
	Add:					
	Decrease in receivables	154.10	-	124.45	-	
	Increase in Short Term Provisions	131.09	75.28	-	-	
	Increase in Long Term Provision	6.13	16.38	-	-	
	Decrease in stock	256.17	-	-	615.95	
	Increase in Trade Creditors	-	334.55	-	515.53	
	Decrease in Short Term Loans and Advances	-	-	23.27	1.10	
	Decrease in Long term loans and advances	-	-	-	127.11	
	Decrease in Other Current Assets	80.10	-	-	-	
	Increase in Other long term liabilities	1.62	-	.05	-	
	Increase in Other Current Liabilities	-	-	179.23	-	
	Total	629.20	426.21	326.99	1259.69	
	Less:					
	Increase in Stock	-	464.38	444.88	-	
	Increase in Short term loans and advances	156.89	488.32	-	-	
	Increase in Long Term Loans and Advances	2.55	38.81	14.21	71.79	
	Increase in other Non Current Assets	797.22	-	93.52	-	
	Decrease in Trade Payables	-	474.82	-	288.58	
	Increase in Other Current Assests	-	312.20	113.07	19.43	
	Decrease in Long term provisions	-	-	-	-	
	Decrease in Other Current Liabilities	52.52	150.58	-	423.69	
	Total	1009.19	1929.11	665.69	803.49	
	Adjustments for Income Tax					
	Income Tax	-131.65	-86.00	-	-	
	Deferred Tax	-32.35	-212.32	52.54	96.17	
	CASH FLOW FROM OPERATING ACTIVITY	105.89	352.66	1040.84	836.93	
B	CASH FLOWS FROM INVESTING ACTIVITIES					
	Add :					
	Interest received on Deposits	-	2.07	4.78	7.63	
	Sale of Fixed Asset	3.93	4.49	15.63	39.21	
	Total	3.93	6.56	20.40	46.84	
	Less :					
	Increase in carrying amount of EB Deposit	-	-	-	-	
	Purchase of Fixed Asset	39.95	151.45	78.47	24.29	
	Investment made	-	-	-	.03	
	Total	39.95	151.45	78.47	24.32	
	CASH FLOWS FROM INVESTING ACTIVITIES	-36.02	-144.89	-58.07	22.53	

C	CASH FLOWS FROM FINANCE ACTIVITIES				
	Add :				
	Net proceeds from Short term borrowings	140.30	-	-	108.77
	Net proceeds from Long term borrowings	-	364.72	633.49	-
	Proceeds from issue of Share Capital	-	-	-	-
	Increase in Share application money pending allotment	-	-	-	-
	Decrease in long term loans and advances	-	-	-	-
	Recognition of Forex Gain	77.18	123.61	-	-
	Total	217.48	488.33	633.49	108.77
	Less :				
	Decrease in unsecured Loan	-	-	-	-
	Repayment of Long term Borrowings	132.71	-	-	263.25
	Finance Cost	132.19	553.70	711.75	692.72
	Repayment of short term borrowings	-	13.22	953.92	-
	Increase in long term loans and advances	15.40	24.21	-	-
	Total	280.30	591.13	1665.67	955.97
	CASH FLOWS FROM FINANCE ACTIVITIES	-62.82	-102.80	-1032.18	-847.20
	OPENING BALANCE OF CASH & CASH EQUIVALENTS	191.01	86.04	135.45	123.19
	NET INCREASE IN CASH & CASH EQUIVALENTS	7.05	104.97	-49.40	12.25
	CLOSING BALANCE OF CASH & CASH EQUIVALENTS	198.06	191.01	86.04	135.45

Approved by the Audit Committee at its meeting held October 25, 2022 & by the Board of Directors at its meeting held on November 07, 2022

As per our Examination Report of even date attached.

For **G R A N D M A R K & ASSOCIATES**
Chartered Accountants
Firm Reg. No: 011317N
PRC No: 012124

Sd/-
CA D Venkataramanan
Senior Partner
Membership No:204728

Place: Coimbatore
Date: November 07, 2022

UDIN: 22204728BCVCSK6592

For **S.A.Aanandan Mill Limited**

Sd/-
A. Ilavarasu
Chairman & Managing Director
DIN: 02443124

Sd/-
Mrs. I Sudha
Jt. Managing Director
DIN: 01816949

Sd/-
P Govindaraj
Chief Financial Officer

Sd/-
Mrs. P Vijayalakshmi
Chief Executive Officer

Sd/-
Ms. Reet Phulwani
Company Secretary

S.A.Aanandan Mill Ltd (Previously known as S.A.Aanandan Spinning Mills Private Limited) NOTES TO RESTATED FINANCIAL STATEMENTS - ANNEXURE A1					
PARTICULARS	NOTE NO	Jul-22	Mar-22	Mar-21	Mar-20
SHARE CAPITAL					
AUTHORISED SHARE CAPITAL					
10,00,000 Equity shares of Rs.100/- each		10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
1,00,00,000 Equity shares of Rs.10/- each		10,00,00,000	10,00,00,000	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL					
9,77,846 Equity shares of Rs.100/- each fully paid up		9,77,84,600	9,77,84,600	9,77,84,600	9,77,84,600
97,78,460 Equity shares of Rs.10/- each fully paid up		9,77,84,600	9,77,84,600	9,77,84,600	9,77,84,600

RECONCILIATION OF NUMBER OF SHARES		Jul-22		Mar-22		Mar-21		Mar-20	
		Number	Rs.P.	Number	Rs.P.	Number	Rs.P.	Number	Rs.P.
Shares outstanding at the beginning of the year		9,77,846	9,77,84,600	9,77,846	9,77,84,600	9,77,846	9,77,84,600	9,77,846	9,77,84,600
Shares Issued during the year		-	-	-	-	-	-	-	-
Shares bought back during the year		-	-	-	-	-	-	-	-
Shares outstanding at the end of the year		97,78,460	9,77,84,600	9,77,846	9,77,84,600	9,77,846	9,77,84,600	9,77,846	9,77,84,600

RIGHTS,PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

The Company had one class of equity shares having a face value of Rs. 100/- each which has been converted/split into Rs.10/- each during the financial year 2022-23 . Each Shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

DETAILS OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 % SHARES

NAME OF SHAREHOLDER	Jul-22		Mar-22		Mar-21		Mar-20	
	Nos	%	Nos	%	Nos	%	Nos	%
Shri. A. Ilavarasu	61,98,730	63.66%	6,19,873	63.66%	6,19,873	63.66%	6,19,873	63.66%
Shilpa Impex PTE Limited	35,39,130	36.34%	3,53,913	36.34%	3,53,913	36.34%	3,53,913	36.34%
TOTAL	97,37,860	100%	9,73,786	100%	9,73,786	100%	9,73,786	100%

NOTE:

Face Value of Equity Shares up to FY 2021-22 - Rs.100 each

Face Value of Equity Shares for FY 2022-23 - Rs.10 each

NAME OF SHAREHOLDER	Jul-22		Mar-22		Mar-21		Mar-20	
	Nos	%	Nos	%	Nos	%	Nos	%
Shri. A. Ilavarasu	61,98,730	63.66%	6,19,873	63.66%	6,19,873	63.66%	6,19,873	63.66%
TOTAL	61,98,730	63.66%	6,19,873	63.66%	6,19,873	63.66%	6,19,873	63.66%

DETAILS OF SHARES BUY BACK/BONUS ISSUE/SOLD FOR NON CASH CONSIDERATION

During the last five years, No shares have been issued and buy back and also no shares have been issued for consideration other than cash

S.A.Aanandan Mill Limited
(Previously Known as S.A.Aanandan Spinning Mills Pvt Ltd)
Notes to Restated Financial Statements
All figures are in lakhs in Indian Rupees

Annexure A.2 - Restated Statement of Reserves & Surplus

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
RESERVES & SURPLUS				
Revaluation Reserve	910.00	910.00	910.00	910.00
Surplus in Profit and loss account :				
Balance as per the last financial statements	402.51	-707.56	-1167.15	-649.49
Profit/(Loss) for the year	362.59	1110.06	459.59	-517.66
TOTAL	1675.10	1312.51	202.44	-257.15

Notes :

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The two landed properties of the company costing Rs. 8,52,447 have been revalued by Rs.9,10,00,000 during the financial year 2013-14 based on the valuation report by Chartered Engineer which has been appropriately accounted as revaluation reserve.

Annexure A.3 - Restated Statement of Long Term Borrowings

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Secured Loan:				
Term Loan From Banks :				
Borrowings from Banks	1354.13	1477.43	1108.13	477.45
Unsecured Loan:				
From Directors				
A.IIavarasu	126.09	135.50	140.08	137.27
TOTAL	1480.22	1612.93	1248.20	614.71

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Borrowings From Banks

Particulars	Jul-22	Mar-22	Mar-21	Mar-20
ICICI Bank				
ICICI FORK LIFT VEHICLE LOANS A/C:LQRP00044028435 secured against FORK LIFT VEHICLE and repayable in MONTHLY quarterly / half-yearly / annual instalments commencing from 07/09/2021 carrying rate of interest @ 10% .	8.68	10.55	-	-
ICICI VEHICLE LOAN A/C:UNRPM00044604515 secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 07/12/2021 carrying rate of interest @ 9% .	0.62	1.62	-	-
ICICI VEHICLE LOAN A/C:UNRPM00044604532 secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 07/12/2021 carrying rate of interest @ 9% .	0.61	1.60	-	-
ICICI VEHICLE LOAN A/C:UNRPM00044604682 secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 07/12/2021 carrying rate of interest @ 9% .	0.97	2.50	-	-
ICICI VEHICLE LOAN A/C:UNRPM00044604895 secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 07/12/2021 carrying rate of interest @ 9% .	0.79	2.07	-	-
ICICI VEHICLE LOAN A/C:UNRPM00044604991 secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 07/12/2021 carrying rate of interest @ 9% .	0.56	1.44	-	-
KOTAK Mahindra Bank				
KOTAK MAHINDRA BANK - VEHICLE LOAN secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 10/01/2022 carrying rate of interest @ 6.90% .	13.63	14.54	-	-
Canara Bank				
CANARA BANK TERM LOAN GECL LOAN A/C:170004265892 secured against Immovable Properties and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 14/04/2024 carrying present rate of interest @ 9.40% .	450.00	602.22	-	-
CANARA BANK TERM LOAN GECL LOAN A/C:173000276154 secured against Immovable Properties and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 30/01/2022 carrying present rate of interest @ 9.40% .	738.27	840.88	-	-
Karur Vysya Bank				
KVB Term Loan GECL Loan secured against Immovable Properties and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 30/01/2022 carrying rate of interest @ 8.20% .	0.00	-	1108.13	470.25
Working Capital Demand Loan secured against Book Debts and Stock and repayable in half-yearly commencing from 12/05/2022 carrying rate of interest @ 8.40% .	140.00	-	-	-
Daimler Financial Services				
Daimler Financial Service Loan secured against Car and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 03/01/2017 carrying rate of interest @ 9.0659% .	-	-	-	7.20

Annexure A.4 - Restated Statement of Other Long Term Liabilities

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Trade Deposit	18.29	16.67	16.67	16.62
TOTAL	18.29	16.67	16.67	16.62

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure A.5 - Restated Statement of Long Term Provision

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Gratuity Payable	22.52	16.38	-	-
TOTAL	22.52	16.38	-	-

Notes :

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. No Provision for gratuity has been made during the Financial Years 2019-20 and 2020-21 and the auditors have made necessary observation in their audit reports as not Quantifiable.

3. Gratuity Provision for the four month period ended 31st July 2022 (stub period) has been made on estimated basis and not based on actuarial valuation

Annexure A.6 - Restated Statement of Short Term Borrowings

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
secured Loan:				
Borrowings from Banks	3572.33	3582.03	3837.24	4694.69
Current maturities of long term debt	472.95	322.95	80.96	177.43
TOTAL	4045.28	3904.98	3918.20	4872.12

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Borrowings from Banks	Jul-22	Mar-22	Mar-21	Mar-20
Canara Bank				
CANARA BANK PCL ACCOUNT secured against Book Debts & Stocks and carrying rate of interest @ 10.90%	990.72	533.44	-	-
Canara Bank CC Account secured against Book Debts & Stocks and carrying rate of interest @ 10.90%	1,306.28	942.04	-	-
Canara Bank Buyers Credit account secured against 15% of Margin deposit and carrying rate of interest @ 7.50%	215.42	-	-	-
ICICI Bank				
ICICI PCL Loan Account secured against Book Debts & Stocks carrying rate of interest @ Repo + 3.25% . (Current repo rate is 6.25%)	117.07	1,922.68	1,692.43	-
Karur Vysya Bank				
KVB LOC secured against Margin Deposit carrying rate of interest @ 6.50%	-	98.78	388.25	399.35
Canara Bank				
CANARA BANK CC A/c - 125001788077 carrying rate of interest @ 10.90%	-	84.22	-	-
ICICI Bank				
ICICI CC a/c secured against Book Debts & Stocks carrying rate of interest @ Repo + 3.50% . (Current repo rate is 6.25%)	942.84	-	-	-
ICICI CURRENT A/C. 611505015330 secured against Nil carrying rate of interest @ Nil.	-	0.88	-	-
Karur Vysya Bank				
KVB CC A/C NO.1238223000000372 secured against Book Debts & Stocks carrying rate of interest @ 6.50%	-	-	896.51	2,031.63
KVB PCFC A/C secured against Book Debts & Stocks carrying rate of interest @ 6.50%	-	-	860.05	2,263.72
Current Maturities of long term debt :				
ICICI FORK LIFT VEHICLE LOANS A/C:LQRPJM0044028435 secured against FORK LIFT VEHICLE and repayable in MONTHLY quarterly / half-yearly / annual instalments commencing from 07/09/2021 carrying rate of interest @ 10%	5.60	5.60	-	-
ICICI VEHICLE LOAN A/C:UNRPM00044604515 secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 07/12/2021 carrying rate of interest @ 9%	2.99	2.99	-	-
ICICI VEHICLE LOAN A/C:UNRPM00044604532 secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 07/12/2021 carrying rate of interest @ 9%	2.95	2.95	-	-
ICICI VEHICLE LOAN A/C:UNRPM00044604682 secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 07/12/2021 carrying rate of interest @ 9%	4.62	4.62	-	-
ICICI VEHICLE LOAN A/C:UNRPM00044604895 secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 07/12/2021 carrying rate of interest @ 9%	3.82	3.82	-	-
ICICI VEHICLE LOAN A/C:UNRPM00044604991 secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 07/12/2021 carrying rate of interest @ 9%	2.66	2.66	-	-
KVB Term Loan GECL Loan secured against Immovable Properties and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 30/01/2022 carrying rate of interest @ 8.20%	-	-	80.96	177.43
Diamler Financial Service Loan secured against Car and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 03/01/2017 carrying rate of interest @ 9.0659%	-	-	-	-
CANARA BANK TERM LOAN GECL LOAN A/C:170004265892 secured against Immovable Properties and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 14/04/2024 carrying present rate of interest @ 9.40%	150.00	-	-	-

CANARA BANK TERM LOAN GECL LOAN A/C:173000276154 secured against Immovable Properties and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 30/01/2022 carrying present rate of interest @ 9.40% .	295.30	295.30	-	-
KOTAK MAHINDRA BANK - VEHICLE LOAN secured against Commercial Vehicle and repayable in Monthly quarterly / half-yearly / annual instalments commencing from 10/01/2022 carrying rate of interest @ 6.90% .	5.00	5.00	-	-

Annexure A.7 - Restated Statement of Trade Payable

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Sundry Creditors	456.17	1253.39	918.84	1012.37
TOTAL	456.17	1253.39	918.84	1012.37

Note:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 have been identified and based on the information available with the company, the amount outstanding to Micro, Small and Medium Enterprise is NIL.
- Trade Payables Ageing Schedule is as follows

FY 2022-23	Less than 1Y	1 to 2 Years	2 to 3 Years	More than 3 Years
(i) MSME	-	-	-	-
(ii) Others	446.74	0.91	1.24	7.28
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

FY 2021-22	Less than 1Y	1 to 2 Years	2 to 3 Years	More than 3 Years
(i) MSME	-	-	-	-
(ii) Others	1238.67	3.92	14.72	0.09
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

FY 2020-21	Less than 1Y	1 to 2 Years	2 to 3 Years	More than 3 Years
(i) MSME	-	-	-	-
(ii) Others	896.5	19.99	0.62	1.73
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

FY 2019-20	Less than 1Y	1 to 2 Years	2 to 3 Years	More than 3 Years
(i) MSME	-	-	-	-
(ii) Others	1004.34	5.86	1.25	0.91
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

Annexure A.8 - Restated Statement of Other Current Liabilities

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Advance from customers	5.51	31.73	177.48	31.58
Expenses Payable	117.28	139.95	132.97	110.75
Statutory liabilities payable	9.53	13.16	17.93	8.74
Others Payable	2.10	2.10	0.91	0.89
Interest Accrued and due on Borrowings	-	-	8.23	6.33
TOTAL	134.42	186.94	337.52	158.29

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure A.9 - Restated Statement of Short Term Provision

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Provision for Tax(Net of Advance Tax)	206.36	75.28	-	-
TOTAL	206.36	75.28	-	-

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure A.10 - Restated Statement of Property, Plant & Equipment

PARTICULARS	Gross Block					
	Land	Building	Windmill	Plant & Machinery	Furniture & Equipment	Vehicles
Opening Gross Block as on 01st April 2019	918.52	895.09	56.00	4558.08	230.81	280.90
Additions	-	6.62	-	13.51	4.16	-
Disposal	-	-	-	46.30	0.32	39.52
Gross Block as on 31st March 2020	918.52	901.71	56.00	4525.29	234.64	241.37
Additions	-	8.76	-	68.61	1.10	-
Disposal	-	-	-	53.07	-	-
Gross Block as on 31st March 2021	918.52	910.47	56.00	4540.83	235.75	241.37
Additions	-	-	-	135.75	2.12	16.86
Disposal	-	-	-	7.95	-	1.70
Gross Block as on 31st March 2022	918.52	910.47	56.00	4668.63	237.87	256.53
Additions	-	14.23	-	1.91	23.41	-
Disposal	-	-	-	3.10	-	-
Gross Block as on 31st July 2022	918.52	924.70	56.00	4667.44	261.27	256.53

PARTICULARS	Accumulated Depreciation					
	Land	Building	Windmill	Plant & Machinery	Furniture & Equipment	Vehicles
Accumulated Depreciation as on 1st April 2019	-	564.15	42.32	3145.16	138.12	224.01
Depreciation for the period 2019-20	-	37.76	2.46	253.60	28.93	14.72
Depreciation Withdrawn	-	-	-	41.39	-	33.53
Accumulated Depreciation as on 1st April 2020	-	601.91	44.78	3357.36	167.05	205.20
Depreciation for the period 2020-21	-	32.84	2.02	210.49	20.64	9.64
Depreciation Withdrawn	-	-	-	47.55	-	-
Accumulated Depreciation as on 1st April 2021	-	634.75	46.80	3520.30	187.69	214.84
Depreciation for the period 2021-22	-	11.24	.92	87.20	5.62	4.65
Depreciation Withdrawn	-	-	-	6.36	-	-
Accumulated Depreciation as on 1st April 2022	-	645.99	47.72	3601.15	193.31	219.49
Depreciation for the four month period of 2022-23	-	3.90	.30	29.39	2.10	1.44
Depreciation Withdrawn	-	-	-	.78	-	-
Accumulated Depreciation as on 31st July 2022	-	649.88	48.02	3629.76	195.41	220.93

PARTICULARS	Net Block					
	Land	Building	Windmill	Plant & Machinery	Furniture & Equipment	Vehicles
Balance as on 31st March 2020	918.52	299.81	11.22	1167.93	67.60	36.18
Balance as on 31st March 2021	918.52	275.73	9.20	1020.53	48.06	26.54
Balance as on 31st March 2022	918.52	264.49	8.28	1067.48	44.56	37.05
Balance as on 31st July 2022	918.52	274.82	7.98	1037.68	65.87	35.61

Notes :

1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

2.The company has, effective 1st April 2021 changed the method of depreciation on PPE from WDV method to SLM on the basis that SLM will more accurately reflect the pattern of usage and expected benefits of such assets. The change of depreciation method being a change in estimate, the effect of the change will have impact in the current period and subsequent periods. The life of the asset and residual value are to be assessed at the end of each future period and hence we impact due to change cannot be qualified.

Annexure A.11- Restated Statement of Non Current Investment

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Ushdev Engitech Limited(At Cost) (14000 shares at the rate of Rs.10 per share)	1.40	1.40	1.40	1.40
TOTAL	1.40	1.40	1.40	1.40

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure A.12- Restated Statement of Deferred Tax Asset

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Deferred Tax Asset :				
On account of Depreciation	23.36	54.18	101.65	105.54
On account of Unabsorbed Depreciation Loss	-	-	160.25	103.81
Deferred Tax Liability :				
On account of Gratuity	6.13	4.60	-	-
Deferred Tax Asset	17.23	49.58	261.90	209.36

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure A.13 - Restated Statement of Long Term Loans and Advances

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Rental Advance	39.61	24.21	-	-
TOTAL	39.61	24.21	-	-

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure A.14 - Restated Statement of Other Non Current Asset

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Deposit With Banks	67.70	66.67	-	-
Deposit with Others	59.66	58.13	85.99	71.79
TOTAL	127.36	124.80	85.99	71.79

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure A.15 - Restated Statement of Inventory

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Cotton	815.19	1166.99	1228.45	576.06
Finished goods	1204.66	1003.83	975.58	1072.24
WIP	334.34	436.63	626.70	662.46
Waste Cotton	387.34	308.70	35.70	188.16
Stores & Spares	43.69	46.90	39.97	22.62
Fabrics	3.04	3.04	-	34.63
Readymade Textiles	1217.50	1295.85	891.16	796.50
TOTAL	4005.77	4261.94	3797.55	3352.67

Particulars	Mode of Valuation
Raw Material	At Cost
Finished Goods	At lower of Cost and Net Realizable Value
Semi Finished Goods	At Cost
Others - Waste Cotton	At lower of Cost and Net Realizable Value
Others - Stores & Spares	At cost
Traded Goods - Fabrics	At lower of Cost and Net Realizable Value
Traded Goods - Readymade Textiles	At lower of Cost and Net Realizable Value

Notes :

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The Method of Valuation of Inventory of Finished Goods has been changed from lower of Market Rate and Net Realizable Value to lower of Cost and Net Realizable Value with effect from 1st April 2021. The impact of the above adjustment in the past years has been appropriately considered in the Restated Statement of Profit & Loss and Reserves & Surplus.

Annexure A.16 - Restated Statement of Trade Receivable

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Sundry Debtors :				
Considered Good and Due from Directors/Related Party	78.29	75.03	335.37	249.69
Considered Good and Due from Others	964.82	1122.18	387.02	597.14
TOTAL	1043.11	1197.21	722.38	846.83

Notes :

- 1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
- 2.No Provision has been made for the amount due from a related party
3. Trade Receivable Ageing Schedule is as follows :

FY 2022-23	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years
(i) Undisputed, Considered Good	920.85	112.84	6.16	-	3.25
(i) Undisputed, Considered Doubtful	-	-	-	-	-
(i) Disputed, Considered Good	-	-	-	-	-
(i) Disputed, Considered Doubtful	-	-	-	-	-
FY 2021-22	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years
(i) Undisputed, Considered Good	1177.79	3.74	3.83	10.82	1.02
(i) Undisputed, Considered Doubtful	-	-	-	-	-
(i) Disputed, Considered Good	-	-	-	-	-
(i) Disputed, Considered Doubtful	-	-	-	-	-
FY 2020-21	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years
(i) Undisputed, Considered Good	415.21	10.07	160.54	125.57	10.99
(i) Undisputed, Considered Doubtful	-	-	-	-	-
(i) Disputed, Considered Good	-	-	-	-	-
(i) Disputed, Considered Doubtful	-	-	-	-	-
FY 2019-20	Less than 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years
(i) Undisputed, Considered Good	578	1.02	256.82	5.45	5.54
(i) Undisputed, Considered Doubtful	-	-	-	-	-
(i) Disputed, Considered Good	-	-	-	-	-
(i) Disputed, Considered Doubtful	-	-	-	-	-

Annexure A.17 - Restated Statement of Cash and Cash Equivalent

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Cash in hand	72.58	42.82	22.19	76.13
Deposit with Banks	-	-	39.50	-
Balance In Banks	125.49	148.19	24.35	59.32
TOTAL	198.06	191.01	86.04	135.45

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure A.18- Restated Statement of Short Term Loans and Advances

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Unsecured and Considered Good				
(a) Advance to Directors/ Related Party	531.51	509.36	-	-
(b) Advance to Others :				
Advance to Suppliers	334.99	200.25	79.18	125.38
Daimler Financial Services India Pvt Ltd	.60	.60	-	-
(c) Advance to Employees	-	-	48.90	48.21
(d) Prepaid Expenses	-	-	3.35	4.26
(e) GST/VAT Refundable	-	-	79.80	59.69
(f) Advance Tax (Net of Provision for tax)	-	-	10.65	7.62
TOTAL	867.10	710.21	221.89	245.16

Notes :

- 1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
- 2.No Provision has been made for the amount due from a related party

Annexure A.19 - Restated Statement of Other current Asset

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Balance with Statutory Authorities	138.49	170.25	4.94	19.49
Prepaid Expense	21.40	4.15	-	-
Other Current Assets	70.61	47.29	139.04	11.42
E Scrip Receivable	145.59	234.49	-	-
TOTAL	376.09	456.19	143.98	30.91

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure B.1 - Restated Statement of Revenue from Operation

PARTICULARS	For Year Ended			
	Jul-22	Mar-22	Mar-21	Mar-20
REVENUE FROM OPERATIONS				
Sale of Manufactured Goods	4788.17	13662.71	11361.65	11272.35
Sale of Traded Goods	693.00	2095.92	2419.55	2185.41
Other Operating Income	146.42	770.66	79.39	108.52
Total	5627.59	16529.29	13860.59	13566.28

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure B.2 - Restated Statement of Other Income

PARTICULARS	For Year Ended			
	Jul-22	Mar-22	Mar-21	Mar-20
Discount Received	11.86	36.70	9.07	8.78
Forex Gain	77.18	123.61	-	-
Other Income	-	23.00	12.98	11.51
Profit on sale of asset	1.21	4.49	-	-
Total	90.25	187.80	22.05	20.29

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure B.3 - Restated Statement of Cost of Material Consumed

PARTICULARS	For Year Ended			
	Jul-22	Mar-22	Mar-21	Mar-20
Cost of Raw Material Consumed				
Opening Stock	1199.29	1228.45	576.06	686.83
Add: Purchases	2988.11	9202.38	4564.51	4659.62
	4187.40	10430.83	5140.57	5346.46
Less : Closing Stock	1276.28	1199.29	1228.45	576.06
Total Raw Material Consumed	2911.12	9231.54	3912.12	4770.39
Cost of Processed Yarn Consumed				
Opening Stock	14.60	915.83	1028.58	926.92
Add : Purchases	274.22	1382.81	4900.92	4119.55
	288.83	2298.64	5929.50	5046.47
Less : Closing Stock	13.43	14.60	915.83	1028.58
Total Processed Yarn Consumed	275.40	2284.03	5013.67	4017.89
Total Cost of Material Consumed	3186.52	11515.57	8925.79	8788.28

Notes:

- 1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
- 2.The cost of material consumed has been regrouped which has been disclosed in purchase of traded goods in the audited financials of the previous years.

Annexure B.4 - Restated Statement of Changes in Inventory of Finished Goods/WIP

PARTICULARS	For Year Ended			
	Jul-22	Mar-22	Mar-21	Mar-20
Closing Stock of WIP/Finished Goods/Stock in Trade	2716.05	3048.04	1613.31	1725.41
Opening Stock of WIP/Finished Goods/Stock in Trade	3048.04	1613.31	1725.41	2334.06
Total	331.99	-1434.73	112.10	608.65

Notes :

- 1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
2. The Method of Valuation of Inventory of Finished Goods has been changed from lower of Market Rate and Net Realizable Value to lower of Cost and Net Realizable Value with effect from 1st April 2021. The impact of the above adjustment in the past years has been appropriately considered in the Restated Statement of Profit & Loss and Reserves & Surplus.

Annexure B.5 - Restated Statement of Employee Benefit Expenses

PARTICULARS	For Year Ended			
	Jul-22	Mar-22	Mar-21	Mar-20
Salary & Wages	245.44	798.57	721.74	845.67
Labour Welfare Expenses	6.45	25.33	23.13	25.50
PF & ESI Contribution	13.58	50.02	43.96	66.84
Gratuity	6.13	18.40	-	-
Bonus	11.03	143.05	27.88	52.14
	-	-	-	-
Total	282.62	1035.37	816.71	990.15

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure B.6 - Restated Statement of Finance Cost

PARTICULARS	For Year Ended			
	Jul-22	Mar-22	Mar-21	Mar-20
Interest	102.79	470.20	509.75	526.13
Bank Charges	29.40	83.51	98.51	85.91
Forex Loss	-	-	103.49	80.68
Total	132.19	553.70	711.75	692.72

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure B.7 - Restated Statement of Depreciation & Amortisation

PARTICULARS	Gross Block					
	Land	Building	Windmill	Plant & Machinery	Furniture & Equipment	Vehicles
Opening Gross Block as on 01st April 2019	918.52	895.09	56.00	4558.08	230.81	280.90
Additions	-	6.62	-	13.51	4.16	-
Disposal	-	-	-	46.30	.32	39.52
Gross Block as on 31st March 2020	918.52	901.71	56.00	4525.29	234.64	241.37
Additions	-	8.76	-	68.61	1.10	-
Disposal	-	-	-	53.07	-	-
Gross Block as on 31st March 2021	918.52	910.47	56.00	4540.83	235.75	241.37
Additions	-	-	-	135.75	2.12	16.86
Disposal	-	-	-	7.95	-	1.70
Gross Block as on 31st March 2022	918.52	910.47	56.00	4668.63	237.87	256.53
Additions	-	14.23	-	1.91	23.41	-
Disposal	-	-	-	3.10	-	-
Gross Block as on 31st July 2022	918.52	924.70	56.00	4667.44	261.27	256.53

PARTICULARS	Accumulated Depreciation					
	Land	Building	Windmill	Plant & Machinery	Furniture & Equipment	Vehicles
Accumulated Depreciation as on 1st April 2019	-	564.15	42.32	3145.16	138.12	224.01
Depreciation for the period 2019-20	-	37.76	2.46	253.60	28.93	14.72
Depreciation Withdrawn	-	-	-	41.39	-	33.53
Accumulated Depreciation as on 1st April 2020	-	601.91	44.78	3357.36	167.05	205.20
Depreciation for the period 2020-21	-	32.84	2.02	210.49	20.64	9.64
Depreciation Withdrawn	-	-	-	47.55	-	-
Accumulated Depreciation as on 1st April 2021	-	634.75	46.80	3520.30	187.69	214.84
Depreciation for the period 2021-22	-	11.24	.92	87.20	5.62	4.65
Depreciation Withdrawn	-	-	-	6.36	-	-
Accumulated Depreciation as on 1st April 2022	-	645.99	47.72	3601.15	193.31	219.49
Depreciation for the four month period of 2022-23	-	3.90	.30	29.39	2.10	1.44
Depreciation Withdrawn	-	-	-	.78	-	-
Accumulated Depreciation as on 31st July 2022	-	649.88	48.02	3629.76	195.41	220.93

PARTICULARS	Net Block					
	Land	Building	Windmill	Plant & Machinery	Furniture & Equipment	Vehicles
Balance as on 31st March 2020	918.52	299.81	11.22	1167.93	67.60	36.18
Balance as on 31st March 2021	918.52	275.73	9.20	1020.53	48.06	26.54
Balance as on 31st March 2022	918.52	264.49	8.28	1067.48	44.56	37.05
Balance as on 31st July 2022	918.52	274.82	7.98	1037.68	65.87	35.61

Notes :

1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

2.The company has, effective 1st April 2021 changed the method of depreciation on PPE from WDV method to SLM on the basis that SLM will more accurately reflect the pattern of usage and expected benefits of such assets. The change of depreciation method being a change in estimate, the effect of the change will have impact in the current period and subsequent periods. The life of the asset and residual value are to be assessed at the end of each future period and hence we impact due to change cannot be qualified.

Annexure B.8 - Restated Statement of Other Expenses

PARTICULARS	For Year Ended			
	Jul-22	Mar-22	Mar-21	Mar-20
Electricity Charges	241.36	785.19	583.02	653.89
Freight Charges	147.29	456.46	131.94	107.02
Administration Expenses	22.05	116.94	108.27	68.02
Rates & Taxes	3.74	13.87	-	23.06
Insurance	21.89	103.71	42.44	60.47
Repairs & Maintenance	32.07	106.84	107.77	109.12
Legal & Professional charges	10.00	21.46	-	11.70
Audit Fees	-	8.22	2.50	2.00
Telephone Charges	1.05	3.28	-	11.45
Office expenses	10.96	17.27	-	-
Donation	.51	.10	-	-
Advertisement	4.53	8.09	9.26	14.13
Commission	56.24	124.83	105.78	49.77
Travelling Expense	7.96	7.02	6.12	15.45
Depo Expenses	20.88	15.02	9.16	1.82
Doubling charges	14.31	41.54	37.12	16.41
Packing Material	5.50	16.34	-	-
consumption of stores & Spares	108.48	165.54	178.47	167.91
Miscellaneous Expense	1.68	1.64	.86	12.62
Conversion Charges	2.41	3.06	1.26	10.20
Mercerising Charges	-	-	24.37	62.14
Rebate & Discount	7.45	-	.86	1.36
TOTAL	720.37	2016.42	1349.21	1398.53

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure B.9 - Restated Statement of Deferred Tax Asset/Liability

PARTICULARS	For Year Ended			
	Jul-22	Mar-22	Mar-21	Mar-20
Deferred Tax Asset / (Liability) - Current year	17.23	49.58	261.90	209.36
Previous year Deferred Tax Asset	49.58	261.90	209.36	113.18
Deferred Tax Asset/(Liability) for the period	-32.35	-212.32	52.54	96.17

Annexure C - Material Adjustment to the Restated Financial

PARTICULARS	For Year Ended		
	Mar-22	Mar-21	Mar-20
Net Profit/(Loss) after Tax as per Audited Profit & Loss a/c	719.35	219.94	117.31
Adjustments For :			
Increase/(Decrease) in valuation of Closing Stock	-	-395.32	-634.97
(Increase)/Decrease in valuation of Opening Stock	395.32	634.97	.00
Increase/(Decrease) in Deferred Tax Liability	-4.60	-	-
Net Profit/(Loss) after Tax as Restated	1110.06	459.59	-517.66

Annexure D - Restated Statement of Tax Shelter

PARTICULARS	For Year Ended			
	Jul-22	Mar-22	Mar-21	Mar-20
Net Profit before Tax as per audited P&L a/c	526.59	1013.07	167.39	21.13
Add - Inadmissible Expense & Income not included				
Depreciation debited to P&L a/c	37.14	109.64	275.63	337.47
Disallowances	40.07	52.10	.31	.60
	77.21	161.74	275.94	338.07
Less : Deductible Expenditure & Income to be excluded				
Income Considered Separately	1.21	4.49	10.10	27.99
	602.59	1170.33	433.23	331.21
Less : Depreciation as per Income Tax Act	76.01	250.11	272.23	309.79
Income Chargeable under the head "Business & Profession"	526.58	920.22	161.00	21.42
Less : Brought Forward Loss	-	576.22	161.00	21.42
Total Income	526.58	344.00	-	-
Tax on Total Income	131.65	86.00	-	-
Total Prepaid Tax	0.56	10.72	3.58	0.62
Refund Due/(Tax Payable)	-131.09	-75.28	3.58	0.62

Annexure E - Restated Statement of Contingent Liabilities

PARTICULARS	AS AT			
	Jul-22	Mar-22	Mar-21	Mar-20
Contingent liabilities				
Export Obligation - EPCG Licences	981.35	981.35	969.65	969.65
Foreign Bill Discounting -	719.81	817.82	144.29	487.25
TOTAL	1701.16	1799.18	1113.95	1456.91

Note : The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.

Annexure F - Restated Statement of Accounting Ratios

Particulars	UOM	Jul-22	Mar-22	Mar-21	Mar-20
Current Ratio	In multiple	1.49	1.34	0.98	0.79
Debt Equity Ratio	In multiple	2.08	2.41	4.38	7.61
Debt Service Coverage Ratio	In multiple	2.47	1.72	1.73	1.98
Return on Equity Ratio	In %	41.01%	48.47%	38.94%	-71.83%
Inventory Turnover Ratio	In Days	125.49	127.69	126.29	123.61
Trade Receivable Turnover Ratio	In Days	29.54	25.64	25.21	19.5
Trade Payable Turnover Ratio	In Days	27.71	32.97	32.76	27.02
Net Capital Turnover Ratio	In Days	126.32	120.36	118.74	116.09
Net Profit Ratio	In %	6.44%	6.72%	3.32%	-3.82%
Return on capital employed	In %	2.58%	4.39%	5.97%	10.56%
Return on Investment	In %	NA	NA	NA	NA

Particulars	Jul-22	Mar-22	Mar-21	Mar-20
Net worth, as restated (₹ in Lakhs)	2,652.94	2,290.35	1,180.29	720.69
Profit after tax, as restated (₹)	3,62,59,096	11,10,06,462	4,59,59,301	-5,17,66,411
Weighted average number of equity shares outstanding during the period/ year				
For Basic earnings per share	97,78,460	97,78,460	97,78,460	97,78,460
For Diluted earnings per share	97,78,460	97,78,460	97,78,460	97,78,460
For Basic earnings per share after bonus issue	97,78,460	97,78,460	97,78,460	97,78,460
For Diluted earnings per share after bonus issue	97,78,460	97,78,460	97,78,460	97,78,460
Earnings per share				
Basic earnings per share (₹) (B/C)	3.71	11.35	4.70	-5.29
Diluted earnings per share (₹) (B/D)	3.71	11.35	4.70	-5.29
Basic earnings per share after bonus issue (₹) (B/E)#	3.71	11.35	4.70	-5.29
Diluted earnings per share after bonus issue (₹) (B/F)#	3.71	11.35	4.70	-5.29
Return on Net Worth (%) (B/A*100)	41.00	48.47	38.94	-71.83
Number of shares outstanding at the end of the period/ year	97,78,460	97,78,460	97,78,460	97,78,460
Number of shares outstanding at the end of the period/ year after bonus issue#	97,78,460	97,78,460	97,78,460	97,78,460
Net asset value per equity share of ₹ 10 each (₹) (A/H)	27.13	23.42	12.07	7.37
Net asset value per equity share of ₹ 10 each after bonus issue (₹) (A/I)#	27.13	23.42	12.07	7.37
Face value of equity shares (₹)	10	10	10	10

Notes :

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the company.
- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted for the number of equity shares issued during the period/year multiplied by the time weightage factor. The time weightage factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
- Net worth for the ratios represents sum of share capital and reserves and surplus

41.01

Formula adopted for above ratios

- Current Ratio** = Current Assets / (Total Current Liabilities - Other Financial Liabilities - Current maturities of Long-Term Debt)
- Debt-Equity Ratio** = Total Debt / Total Equity
- Debt Service Coverage Ratio** = (EBITDA - Current Tax) / (Principal Repayment + Gross Interest)
- Return on Equity Ratio** = Net Income / Total Equity
- Inventory Turnover Ratio** (Average Inventory days) = Cost of Goods Sold / Average Inventories
- Trade receivables Turnover Ratio** (Average Receivables days) = Net Credit Sales / Average Trade receivables
- Trade Payables Turnover Ratio** (Average Payable days) = Net Credit Purchase / Average Trade payables
- Net Capital Turnover Ratio** = (Inventory Turnover Ratio + Trade receivables turnover ratio - Trade payables turnover ratio)
- Net Profit Ratio** = Net Profit / Net Revenue
- Return on Capital employed** = (Total Income + Interest) / (Total Assets – Current Liabilities)
- Return on Investment (Assets)** = Total Income / Average Total Assets

Annexure G - Restated Statement of Related Party Transaction

Information on names of Related parties and nature of Relationship as required by AS 18 on Related party disclosures

Name of the Related Party	Relationship
A Ilavarasu	Key Management Personnel
I Sudha	Director
Naatchiar Textile Exporters	Director's Interested Concern
Jayanachiar Textile Mills Private Limited	Director's Interested Concern
Nachiar Healthcare Fabrics Private Limited	Director's Interested Concern
Nachiar Spinning Mills Private Limited	Director's Interested Concern
Shilpa Impex Private Limited	KMP's Interested concern

Transaction during the year with related parties:

Name of Related Party	Relationship			
A. ILAVARASU	Key Management Personnel			
Nature of Transaction	Value in Lakhs.			
	Jul-22	Mar-22	Mar-21	Mar-20
Loan Received	-	-	2.81	-
Loan Amount Repaid	9.41	4.58	-	76.15
Loan Outstanding	126.09	135.50	140.08	137.27
Remuneration paid	8	24	24	22

Name of Related Party	Relationship			
I SUDHA	Director			
Nature of Transaction	Value in Lakhs.			
	Jul-22	Mar-22	Mar-21	Mar-20
Loan received	-	-	-	-
Remuneration paid	2	6.00	6	3

Name of Related Party	Relationship			
Naatchiar Textile Exporters	Director's Interested Concern			
Nature of Transaction	Value in Lakhs.			
	Jul-22	Mar-22	Mar-21	Mar-20
Purchase of goods	-	-	483	-
Sale of goods	-	-	483.56	116.68
Trade receivables	-	-	0.16	-
Rent Expenditure	1.19	3.56	3.58	3.56
Sundry Creditors - Building Rent	2.81	1.62	-	-

Name of Related Party	Relationship			
Jayanachiar Textile Mills Private Limited	Director's Interested Concern			
Nature of Transaction	Value in Lakhs.			
	Jul-22	Mar-22	Mar-21	Mar-20
Purchase of goods	-	-	483	57.9
Sale of goods	-	-	483	57.84
Trade Receivable	-	-	-	-

Name of Related Party	Relationship			
Nachiar Healthcare Fabrics Private Limited	Director's Interested Concern			
Nature of Transaction	Value in Lakhs.			
	Jul-22	Mar-22	Mar-21	Mar-20
Purchase of goods	-	-	483	-
Sale of goods	1.45	1.42	485.32	0.99
Trade receivables	1.45	-	38	0.99
Trade Payables	-	-	-	-

Name of Related Party	Relationship			
Nachiar Spinning Mills Private Limited	Director's Interested Concern			
Nature of Transaction	Value in Lakhs.			
	Jul-22	Mar-22	Mar-21	Mar-20
Purchase of goods	-	20.94	553.02	89.46
Sale of goods	0.91	-	531.3	89.37
Trade Receivables	-	-	14.55	-
Loan given to	-	450	-	-
Loan received back	-	450	-	-

Name of Related Party	Relationship			
Shilpa Impex PTE Limited	KMP's Interested concern			
Nature of Transaction	Value in Lakhs.			
	Jul-22	Mar-22	Mar-21	Mar-20
Sale of goods	-	42.37	474.29	2052.97
Trade receivables	78.29	75.03	335.36	249.69
Advances made	-	-	-	-
Advances Outstanding	531.5	509.36	-	-

Annexure H - Statement of Capitalisation

Particulars	As on 31.07.22
Borrowings	
Short Term Debt(A)	4045.28
Long Term Debt (B)	1480.22
Total Debt (A+B)	5525.5
Shareholders Funds	
Equity Share Capital	977.85
Reserve and Surplus	1675.1
Total Shareholders Funds	2652.95
Long Term Debt/Shareholders funds	0.56
Total Debt/Shareholders funds	2.08

S.A.Aanandan Mill Limited
Formerly known as S.A.Aanandan Spinning Mills Private Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Corporate information

S.A. Aanandan Mill Limited was originally incorporated as a Private Limited Company on July 23, 1996 under the name and style of S.A.Aanandan Spinning Mills Private Limited. The Company was later converted into a Public Limited Company on May 31, 2022 and consequently, the name was changed to S.A.Aanandan Spinning Mills Limited. The name was then changed to S.A. Aanandan Mill Limited on August 5, 2022 and a fresh certificate of incorporation dated August 05, 2022 was issued by The Registrar of Companies, Chennai.

The Company is engaged in manufacture and sale of Cotton Yarn from its manufacturing facilities located at Rajapalayam, Tamil Nadu and Trading of Readymade Garments in its Retail Stores located at Chittoor, Andhra Pradesh.

Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act"), and the relevant provision of the Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, including contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the periods in which the results are known/materialize.

2.3 Inventories

Inventories are valued at the lower of cost and estimated net realisable value. Cost of finished goods and process stock includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete and non-moving inventories are duly provided for. Work-in-progress and finished goods include appropriate proportion of overheads

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

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

2.6 Revenue recognition

Revenue includes Sale of Goods, Scrap, Trade Licence & Export incentives.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude GST.

Revenues from services are recognised when services are rendered and related costs are incurred.

2.7 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.8 Property, Plant and Equipment & Depreciation and amortisation

Property, Plant and Equipment are carried at cost less accumulated depreciation, and amortization losses, if any. Cost comprises of direct cost, related taxes, duties, freight and attributable finance costs till such assets are ready for its intended use.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

2.9 Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to "Foreign currency translation reserve" until disposal / recovery of the net investment. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

2.10 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Capital Government Grants or Subsidies relating to specific fixed assets are deducted from the gross value of the respective fixed assets.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.11 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee Benefits

Short term employee benefits:

All short-term employee benefits such as salaries, wages, bonus, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the Statement of profit and loss.

Defined contribution plans:

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

2.13 Borrowing costs

Borrowing costs, if any, identifiable with an asset under construction are capitalized as part of qualifying fixed assets when it is possible, that they will result in future economic benefits. Other borrowing costs are expensed.

2.14 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

2.15 Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.16 Earnings per share

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 – 'Earnings per share'. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share are computed using the weighted average number of equity shares outstanding during the year and dilutive potential equity shares outstanding at year end.

2.17 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such asset items can be realised.

2.18 Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Amortization is done on straight line method over the expected useful life of the asset which is determined as 5 years from the year of recognition of intangible asset.

2.19 Impairment of assets

At each Balance Sheet date, the carrying values of the tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the company estimates the recoverable amount of the group of assets as a whole, to determine the value of impairment.

2.20 Provisions and contingencies

A Provision is recognized, in terms of Accounting Standard 29 – ‘Provisions, Contingent Liabilities and Contingent Assets’ notified by the Companies (Accounting Standards) Rules, 2006, when there is a present obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, which can be reliably estimated. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognised in the financial statements.

2.21 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.22 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis of our financial position and results of operations is based on our Restated Financial Statements for the financial year ended March 31, 2022, 2021 and 2020 and for period ended July 31, 2022 including the related notes and reports, included in this Draft Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial information. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS, Companies Act, SEBI Regulations and other relevant accounting practices in India. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("**Fiscal Year**") are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "**Risk Factors**" and "**Forward Looking Statements**" beginning on pages 23 and 14, respectively, and elsewhere in this Draft Prospectus.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Lead Reclaim and, our Company. Unless otherwise indicated, financial information included herein are based on our "**Restated Financial Statements**" for the period ended July 31, 2022 and for the financial year ended March 31, 2022, for the Financial Year 2021 and for the Financial Year 2020 beginning on page 178 of this Draft Prospectus.

BUSINESS OVERVIEW

Our Company was originally incorporated as a private limited company in name and style of S.A.Aanandan Spinning Mills Private Limited under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 23, 1996 bearing Registration Number 18-36146 issued by Registrar of Companies, Tamil Nadu. Subsequently our Company was converted into a public limited company vide Fresh Certificate of Incorporation dated May 31, 2022 and the name of the Company was changed to S.A.Aanandan Spinning Mills Limited. Subsequently the name of our Company was changed to S.A.Aanandan Mill Limited vide Fresh Certificate of Incorporation dated August 05, 2022. U17116TN1996PLC036146.

Our Company is registered with the Registrar of Companies, Tamil Nadu located at the following address: 100, Srivilliputhur Road, Padikasuvaithanpatti Village, Mamsapuram, Rajapalayam Virudhunagar Tamil Nadu-626110, India.

Our business model is a mix of manufacturing of cotton yarn and retail & wholesale of textiles and garments, as we focus to expand from "*farm to fashion*". Over the years we have been able to build our presence in India and overseas in the cotton yarn market and in the retail space within the geographical location of Chittoor, Andhra Pradesh.

For further details, please refer chapter titled "**Business Overview**" beginning on page 106 of this Draft Prospectus.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

After the date of last financial year i.e., March 31, 2022, the following material events have occurred :-

1. Sub-division of each Equity Share of our Company having face value of ₹100 each into Equity Shares of ₹ 10 each dated June 20, 2022.

Pursuant to the subdivision the Authorised Share Capital of the Company is as follows:
“The Authorised Share Capital of the Company shall be ₹25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹ 10 each”.
2. The Shareholders of the Company approved the increase in Authorised Capital from ₹ 10,00,00,000/- to ₹ 25,00,00,000/- consisting of 2,50,00,000/- Equity Shares of face value of ₹ 10 /- each in their meeting held on December 12, 2022.
3. The Board has allotted Equity shares pursuant to Bonus Issue vide Board Resolution dated December 12, 2022.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled **“Risk Factors”** beginning on page 23 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Volatility in supply and pricing of products;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to attract and retain qualified personnel;
- Substantial capital expenditure & working capital requirements;
- Default or delay in payment from customers;
- Changes in laws, rules & regulations and legal uncertainties;
- Pricing pressures from the competitive business environment;
- Economic and Demographic condition;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control and
- Our ability to manage risks that arise from these factors.

SIGNIFICANT ACCOUNTING POLICIES

In Restated Financial Statement our Company has change the policy for valuation of Inventory. For further details please see significant accounting policies please refer “Significant Accounting Policies to the Restated Financial Statements”, under Chapter titled **“Financial Statements”** beginning on page 178 of the Draft Prospectus.

DISCUSSION ON RESULTS OF OPERATIONS

The following table sets forth financial data from our restated financial statements of profit & loss for the period ended July 31, 2022 and for the financial year ended March 31, 2022, for the financial year ended March 31, 2021 and for the financial year ended March 31, 2020, the components of which are also expressed as a percentage of total revenue for such periods:

(₹ in Lakhs)

Particulars	Four month period ended July 31, 2022		Year ended March 31, 2022		Year ended March 31, 2021		Year ended March 31, 2020	
	₹ in lakhs	%*	₹ in lakhs	%*	₹ in lakhs	%*	₹ in lakhs	%*
<u>(A) REVENUE</u>								

Revenue from Operations	5627.59	98.42	16,529.29	98.88	13860.59	99.84	13566.28	99.85
Other Income	90.25	1.58	187.80	1.12	22.05	0.16	20.29	0.15
Total Revenue	5717.85	100.00	16,717.09	100.00	13882.64	100.00	13586.57	100.00
<u>(B) EXPENDITURE</u>								
Cost of materials consumed	3186.52	55.73	11515.57	68.89	8925.79	64.29	8788.28	64.68
Purchases of Stock-in-Trade	500.44	8.75	1438.51	8.61	1294.5	9.32	1412.59	10.40
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	331.99	5.81	-1434.73	-8.58	112.10	0.81	608.65	4.48
Employee Benefits	282.62	4.94	1035.37	6.19	816.71	5.88	990.15	7.29
Finance Costs	132.19	2.31	553.70	3.31	711.75	5.13	692.72	5.10
Depreciation and Amortization	37.14	0.65	109.64	0.66	275.63	1.99	337.47	2.48
Other Expenses	720.37	12.60	2016.42	12.06	1349.21	9.72	1398.53	10.29
Total Expenditure	5191.26	90.79	15234.49	91.13	13485.69	97.14	14228.39	104.72
Profit Before Exceptional and Extraordinary Items and Tax	526.58	9.21	1482.6	8.87	396.95	2.86	-641.83	-4.72
Exceptional Items	-	-	-	-	10.10	0.07	27.99	0.21
Profit Before Extraordinary Items and Tax	526.58	9.21	1482.6	8.87	407.05	2.93	-613.84	-4.52
Extraordinary Items	-	-	-74.21	-0.44	-	-	-	-
Profit Before Tax	526.58	9.21	1408.39	8.42	407.05	2.93	-613.84	-4.52
Tax Expense:								
(1) Current tax	131.65	2.30	86	0.51	-	-	-	-
(2) Deferred tax	32.35	-	212.32		-52.54	-0.38	-96.17	-0.71
Profit/(Loss) for the period	362.59	6.34	1110.06	6.64	459.59	3.31	-517.66	-3.81

*(%) column represents percentage of total revenue.

Key Components of our Statement of Profit and Loss Based on our Restated Financial Statements

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations represents sale of our products. The company is engaged in the business of manufacturing of Yarn. For detail, please refer to section “**Business Overview**” on page 106 of this Draft Prospectus.

Other Income

Other income includes Discount received, Forex Gain, Other Interest income and Profit on sale of asset.

Expenditure

Our total expenditure primarily consists of Cost of Material Consumed, Changes in Inventory, Employee Benefit Expenses, Finance costs, Depreciation and Amortization and Other Expenses.

Employee Benefit Expenses

Employee benefit expenses comprises of salaries and wages, Labour Welfare Expenses, PF & ESI Contribution, Gratuity and Bonus.

Depreciation & Amortisation Cost

Depreciation Expenses consist of depreciation on the Tangible assets of our company i.e., Depreciation on Fixed Assets.

Finance costs

Finance cost includes Interest, Bank Charges and Forex loss.

Other Expenses

Other expenses include Electricity charges, freight charges, administration charges, Rates & taxes, Insurance, Repairs and maintenance, legal and professional charges, audit fees, telephone charges, office expenses, donation, advertisement, commission, Travelling Expense, Depo Expenses, Doubling charges, Packing material, consumption of stores and spares, Miscellaneous expenses, conversion charges, mercerising charges and rebate & discount.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021**Income:****Total Revenue**

Our total revenue increased by 20.42 % to ₹ 16,717.09 Lakhs for Fiscal 2022 from ₹ 13882.64 Lakhs for Fiscal 2021. This was primarily attributable to increase in utilization through bringing in efficiency in our production process and also on account of increase in yarn prices corresponding to increase in the price of raw materials during the year. Increase in other income also added to the increase in revenue for instance, our Company earned significant forex gain of ₹ 123.61 Lakhs for Fiscal 2022 as compared to NIL for Fiscal 2021

Revenue from Operations

Our revenue from operations increased by 19.25% to ₹ 16529.29 Lakhs for Fiscal 2022 from ₹13860.59 Lakhs for Fiscal 2021. This was primarily attributable to to increase in utilization through bringing in efficiency in our production process and also on account of increase in yarn prices corresponding to increase in the price of raw materials during the year. Other operating income for the Fiscal 2022 increased by ₹ 691.27 Lakhs to ₹ 770.66 Lakhs as compared to ₹ 79.39 Lakhs in Fiscal 2021. This is attributable due to increase in freight collection on export sales which was due to increase in export sales, government incentives (RODTEP), cash purchase discounts, etc. However, during the year our sales of traded goods has reduced by 13.28%.

Other Income

Our other income increased by 751.75 % to ₹ 187.80 Lakhs for the Fiscal 2022 from ₹ 22.05 Lakhs for Fiscal 2021. This was primarily attributable to foreign exchange gain, write-back of creditors, etc.

Expenditure**Cost of materials consumed**

Our cost of materials increased by 29.01% to ₹ 11515.57 Lakhs for Fiscal 2022 from ₹ 8925.79 Lakhs for Fiscal 2021. This was primarily attributable to increase in cost of raw materials.

Employee Benefits Expenses

The employee benefits expense increased by 26.77% to ₹1035.37 Lakhs for Fiscal 2022 from ₹ 816.71 Lakhs for Fiscal 2021. This was primarily attributable to increase in number of employees from 445 to 380 during the Fiscal 2022.

Finance Cost

The finance costs reduced marginally by 22.21% to ₹ 553.70 Lakhs for Fiscal 2022 from ₹ 711.75 Lakhs for Fiscal 2021. This was primarily attributable to increase in utilization of cheaper funding options like packing credits due to increase in export sales.

Depreciation and amortization expense

Our depreciation and amortization expense decreased marginally by 60.20 % to ₹ 109.64 Lakhs for Fiscal 2022 from ₹ 275.63 Lakhs for Fiscal 2021.

Other Expenses

Our other expenses increased by 49.45% to ₹ 2016.42 Lakhs for Fiscal 2022 from ₹1349.21 Lakhs for Fiscal 2021. This was due to primarily attributable to increase in Electricity Charges and Freight Charges.

Tax expenses

Our Company incurred Current Tax expenses of 86.00 Lakhs in the Fiscal 2022 on account of profit. Our Deferred tax expenses increased to ₹ 212.32 Lakhs for Fiscal 2022 from ₹ (52.54) Lakhs for Fiscal 2021 was on account of reversal of deferred tax assets of previous year. The effective tax rate was 21.18%.

Profit after Tax (PAT)

For the reasons discussed above, our profit after tax increased by 141.53% to ₹ 1110.06 Lakhs for Fiscal 2022 from ₹ 459.59 Lakhs for Fiscal 2021.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2021 TO FINANCIAL YEAR ENDED MARCH 31, 2020**Income:****Total Revenue**

Our total revenue increased by 2.18% to ₹ 13882.64 Lakhs for Fiscal 2021 from ₹13586.57 Lakhs for Fiscal 2020. This increase was primarily attributable to increase in sale of traded goods, while the sale of manufactured goods reduced.

Revenue from Operations

Our revenue from operations increased by 2.17% to ₹ 13860.59 Lakhs for Fiscal 2021 from ₹ 13566.28 Lakhs for Fiscal 2020. This increase was primarily attributable to increase in sale of traded goods by 792.41%. However, sale of manufactured goods reduced by 13.62%.

Other Income

Our other income increased by 8.69% to ₹ 22.05 Lakhs for Fiscal 2021 from ₹ 20.29 Lakhs for Fiscal 2020. This increase was primarily attributable to increase in miscellaneous income.

Expenditure

Cost of materials consumed

The cost of materials consumed marginally increased by 1.56% to ₹ 8925.79 Lakhs for Fiscal 2021 from ₹ 8788.28 Lakhs for Fiscal 2020. This increase in the Cost was attributable to increase in sales and increase in cost of raw materials..

Employee Benefits Expenses

The employee benefits expense decreased by 17.52% to ₹ 816.71 Lakhs for Fiscal 2021 from ₹ 990.15 Lakhs for Fiscal 2020. This decrease was attributable to lock down on account of COVID-19 pandemic during the first quarter of the Fiscal 2021.

Finance Cost

The finance costs marginally increased by 2.75 % to ₹ 711.75 Lakhs for Fiscal 2021 from ₹ 692.72 Lakhs for Fiscal 2020. This increase was primarily attributable to increase in total outstanding loan amount.

Depreciation and amortization expense

Our depreciation and amortization expense decreased by 18.32% to ₹ 275.63 Lakhs for Fiscal 2021 from ₹ 337.47 Lakhs for Fiscal 2020.

Other Expenses

Our other expenses decreased marginally by 3.53% to ₹ 1349.21 Lakhs for Fiscal 2021 from ₹ 1398.53 Lakhs for Fiscal 2020. This decrease was primarily attributable to lower electricity expenses and Mercerising Charges.

Tax expenses

Our Deferred tax expenses decreased by 45.37% to ₹ (52.54) Lakhs for Fiscal 2021 from ₹ (96.17) Lakhs for Fiscal 2020.

Profit after Tax (PAT)

For the reasons discussed above, our profit after tax increased by 188.78% to ₹ 459.59 Lakhs for Fiscal 2021 from ₹ (517.66) Lakhs for Fiscal 2020.

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

1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three (3) years.

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

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "**Risk Factors**" beginning on page 23 of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

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

Income and sales of our Company on account of main activities derives from sale of Yarn.

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

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

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

Apart from the risks as disclosed under Section titled “**Risk Factors**” beginning on page **Error! Bookmark not defined.** of this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

6. **Extent to which material increases in net sales or revenue are due to increase in services**

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

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

The Company is engaged in the manufacturing and exporting business of Yarn and has Retail and Wholesale verticals, as available, has been included in the Chapter titled “**Industry Overview**” beginning on page 103 of this Draft Prospectus.

Particulars	Four-month period ended July 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Manufacturing				
<i>Export Sales</i>	2196.41	7,827.40	4,325.64	4,703.52
<i>Domestic Sales</i>	1356.98	5,835.31	7,036.01	8,448.90
Retail & Wholesale	693.01	2095.92	2419.55	305.34
Other Operating Income	146.42	770.66	79.39	108.52
Revenue from operations	5627.59	16529.29	13860.59	13566.28

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

Our Company has not announced any new services or business segment except as stated in section titled “**Business Overview**” on page 118 of this Draft Prospectus.

9. **The extent to which business is seasonal.**

Our Retail verticals are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, we see an increase in our business before Festive Seasons and during end of season sales. In our manufacturing verticals major raw material is cotton and yarn, the supply and quality of cotton is subject to adequate rainfall and other weather condition. For further details, please see section titled “**Risk Factor**” on page 23 of this Draft Prospectus.

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

The Company’s business is not dependent on a single, or just a few customers.

11. **Competitive conditions.**

Competitive conditions are as described under the Chapters titled “**Industry Overview**” and “**Business Overview**” beginning on pages 106 and 118, respectively of this Draft Prospectus.

Material developments subsequent to July 31, 2022

Except as disclosed in this Draft Prospectus, there are no significant developments or circumstances that have arisen since July 31, 2022, the date of the last financial statements included in this Draft Prospectus: Further, except as disclosed in this Draft Prospectus, there are no circumstances that have arisen since July 31, 2022, the date of the last financial statements included in this Draft Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

FINANCIAL INDEBTEDNESS

Our Company utilizes the following credit facility from Canara Bank and ICICI Bank Limited for conducting its business.

Set forth below is a brief summary of all the borrowings of our Company as on July 31, 2022 together with a brief description of certain significant terms of such financing arrangements.

(₹ in Lakhs)

Nature of Borrowing	Amount
Secured borrowings	5399.41
Unsecured borrowings	126.09
Total	5525.50

A. Details of Secured Loans

(₹ in Lakhs)

Name of Lenders	Type of Loans	Date of Sanction Letter	Amount sanctioned	Amount outstanding as on July 31, 2022	Terms and Condition of Sanction
Canara Bank	Working Capital Term Loan	January 12, 2022	5,270	4145.98	Note 1
ICICI Bank Limited	Term Loan	April 07, 2022	2,000	1,199.91	Note 2
	Vehicle Loan	-		53.52	-

Note 1: Terms and Conditions of Canara Bank Limited

Working Capital Facility

Facility	Amount (Rs. in Lakhs)
Fund Based	
PC/PCFC/FDB/E/BRD	1000.00
OCC/ODBD	2000.00
Apportioned Limit (OCC/ODBD) at Chittor Branch	(100.00)
Sub total (A)	3000.00
Non-Fund Based	
ILC/FLC	400.00
NFB Exposure at 2% of Forward Contract Limit of Rs. 44.00 Crores	0.88
Sub total (B)	488.00
Total	3488.00

Working Capital Term Loan under GECL 2.0 for Rs. 11.82 Crores

Facility	Working Capital Term Loan
Amount	₹1,182 Lakhs
Charge ID	100558715
Purpose	To take over existing WCTL of RS.1,182 Lakhs under GECL 2.0 from Karur Vysya Bank permitted for meeting operational liabilities.
Interest rate	RLLR (6.90%) + 0.60% = 7.50%
Margin	NIL
Repayment Schedule	48 Months

Guarantee Scheme	The facility is covered under Emergency Credit Line Guarantee Scheme (ECLGS) administered by National Credit Guarantee Trustee Company (NCGTC) Limited.
Security	Primary: Stock & Book Debt – 1 st paripassu charge with ICICI Bank

Working Capital Term Loan of ₹600 Lakhs

Facility	Working Capital Term Loan
Amount	₹600 Lakhs
Purpose	To build up current assets and to meet operational liabilities and to meet liquidity mismatch.
Loan Tenor	72 Months
Moratorium	24 Months
Interest rate	RLLR (6.90%) + 0.60% = 7.50% pa
Repayment Schedule	To be repaid in 48 monthly installments of ₹12,50,000. Interest to be serviced as and when due including the moratorium.
Primary Security	Assets created out of the credit facility so extended.
Personal Guarantee	NIL
Margin	NIL
Terms and Conditions	<ol style="list-style-type: none"> 1. The facility not to be utilized for adjustment/takeover of borrowings availed from other Banks/F'Js. 2. Separate loan account to be opened for Credit facility extended under GECL 2.0 (Extension). 3. An undertaking has to be obtained from the borrower with regard to end use of fund and that the amount will be used for the business purpose for which original limit was sanctioned. 4. There should not be any diversion of funds from their account for the purpose other than for which it is approved. 5. Funds must be utilized to build up current assets and to meet operational liabilities and restart the business. 6. Branch to ensure that either through a stipulation in an agreement with the borrower or otherwise, that it shall not create any charge on the security held in the account covered by the guarantee for the benefit of any account not covered by the guarantee, with itself or in favour of any other creditor(s) without intimating the Trustee Company. 7. All other terms and conditions as per the circulars on GECL are to be adhered to.

Note 2: Terms and Conditions of ICICI Bank Limited

Our Company has availed the working capital facilities from ICICI Bank Limited ("ICICI Bank"), pursuant to a credit arrangement letter and on the terms and conditions as set out below:

Facility	Amount (Rs. in Million)	Security and/or Contractual Comfort*	Facility Validity Date/Months
Fund Based			
FUBD/FBP/PSFC	200.00	Secured	March 30, 2023
Export Packing Credit (EPC)/ Packing credit in Foreign Currency (PCFC) Sublimit of FUBD/FBP/PSFC	(200)	Secured	March 30, 2023
Cash Credit Sublimit of	(150)	Secured	March 30, 2023

Facility	Amount (Rs. in Million)	Security and/or Contractual Comfort*	Facility Validity Date/Months
FUBD/FBP/PSFC			
Non Fund Based	0.00		
Total	200.00		

Type of charge	Floating charge, Book Debts and Current Asset
Interest rate	As Determined by bank time to time
Hypothecated Assets and Ranking	<p>Moveable Properties- The whole of the Borrower's moveable properties (save and except current assets) including its movable plant and machinery, machinery spares, tools and accessories, non-trade receivables and other movables, both present and future, whether in the possession or under the control of the Borrower or not, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereafter from time to time during the continuance of these presents be brought into or upon or be stored or be in or about all the Borrower's factories, premises and godowns situated at NA or wherever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order or delivery (the "Moveable Properties", which expression shall, as the context may permit or require, mean any or each of such Moveable Properties).</p> <p>Ranking: NA</p> <p>Current Assets- The whole of the Borrower's stocks of raw materials, goods-in-process, semi-finished and finished goods, consumable stores and spares and such other movables, including book debts, bills, whether documentary or clean, both present and future, whether in the possession or under the control of the Borrower or not, whether now lying loose or in cases or which are now lying or stored in or about or shall hereafter from time to time during the continuance of these presents be brought into or upon or be stored or be in or about all the Borrower's factories, premises and godowns situated at Rajapalayam or wherever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order or delivery (the "Current Assets", which expression shall, as the context may permit or require, mean any or each of such Current Assets).</p> <p>The security created over the Hypothecated Assets which are Current Assets shall not hinder the Borrower from selling, or otherwise disposing of the same or any part thereof in the ordinary course of its business and in each case subject to the restrictions contained under the Transaction Documents, if any.</p> <p>Ranking: First Paripassu Charge</p> <p>Receivables: All amounts owing to, and received and/or receivable by the Borrower and/or any person on its behalf, all book debts, all cash flows and receivables and proceeds arising from/in connection with, and all rights, title, interest, benefits, claims and demands whatsoever of the Borrower in, to or in respect of all the aforesaid assets, including but not limited to the Borrower's cash-in-hand, both present and future (the "Receivables", which expression shall, as the context may permit or require, mean any or each of such Receivables).</p> <p>Ranking: First Paripassu Charge</p>
Tenor	12 months

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, civil suits, criminal proceedings, regulatory proceedings and tax disputes pending before various authorities. These legal proceedings may have been initiated by us or by customers, regulators, or other parties, and are pending at different levels of adjudication before various courts, quasi-judicial bodies, tribunals, enquiry officers and appellate tribunals.

There is no outstanding legal proceeding which has been considered material in accordance with our Company's "Policy for Determining Materiality of any Event" framed in accordance with Regulation 30 of the SEBI Listing Regulations

Our Company has, in accordance with the resolution passed by our Board/Committee solely for the purpose of this Issue, disclosed in this section (i) all outstanding criminal litigation and tax proceedings involving our Company; (ii) all outstanding civil litigation involving our Company which involve an amount exceeding 10% of the profit after tax of our Company for the financial year ended March 31, 2022 as per the audited consolidated financial statements of our Company as of and for the financial year ended March 31, 2022 ("Materiality Threshold"); (iii) all outstanding actions by statutory or regulatory authorities involving any of our Company; (iv) any other outstanding litigations involving our Company where the monetary sum involved is not quantifiable or is below the Materiality Threshold, where an adverse outcome would, in the opinion of the Board, materially and adversely affect the business, operations, prospects, reputation or financial position of our Company, and (v) any litigations involving the Directors and Promoters of our Company, an adverse outcome in which shall have a material impact on the Company.

Further, other than as disclosed in this section, (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Draft Prospectus and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Draft Prospectus involving our Company, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Draft Prospectus involving our Company; (iii) there are no defaults in repayment of (a) undisputed statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon; and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Draft Prospectus; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Draft Prospectus.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Directors and/or our Promoters from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

I. Litigation involving our Company

A. Litigation filed against our Company

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Civil proceedings

i. *Mr. A Kalusan C/o Virudhunagar District Manual Labour Association (CITU) vs. S.A. Aanandan Spinning Mills Private Limited – P.G.P. No. 343 of 2019*

Mr. A Kalusan C/o Virudhunagar District Manual Labour Association (CITU) filed a petition under Rule 10(1) of the Payment of Gratuity Act, 1972 before the Hon'ble Gratuity Payment Legal Officer, Madurai for non-payment of gratuity of Rs. 87,555/-. The matter is presently pending.

ii. *Mr. S Muruganandam C/o Virudhunagar District Manual Labour Association (CITU) vs. S.A. Aanandan Spinning Mills Private Limited – P.G.P. No. 346 of 2019*

Mr. S Muruganandam C/o Virudhunagar District Manual Labour Association (CITU) filed a petition under Rule 10(1) of the Payment of Gratuity Act, 1972 before the Hon'ble Gratuity Payment Legal Officer, Madurai for non-payment of gratuity of Rs. 78,840/-. The matter is presently pending.

iii. *Mr. K Murugadas C/o Virudhunagar District Manual Labour Association (CITU) vs. S.A. Aanandan Spinning Mills Private Limited – P.G.P. No. 349 of 2019*

Mr K Murugadas C/o Virudhunagar District Manual Labour Association (CITU) filed a petition under Rule 10(1) of the Payment of Gratuity Act, 1972 before the Hon'ble Gratuity Payment Legal Officer, Madurai for non-payment of gratuity of Rs. 1,64,400/-. The matter is presently pending.

B. Litigation filed by our Company

1. Criminal proceedings

Nil

2. Civil proceedings

Nil

A. Tax proceedings

(in ₹)

Particulars	No. of cases	Amount involved
Direct Tax	10	2,30,950
Indirect Tax	Nil	Nil
Total	10	2,30,950

I. Litigation involving our Directors

A. Litigation filed against our Directors

1. **Criminal proceedings**
Nil

2. **Outstanding actions by regulatory and statutory authorities**
Nil

3. **Civil proceedings**
Nil

B. *Litigation filed by our Directors*

1. **Criminal proceedings**

i. ***Jai Hind and A. Ilavarasu vs. The State of Tamil Nadu and Muniyasamy – Crl. O.P. No. 23072/2022***

Mr. Jai Hind and Mr. Ilavarsu filed a Criminal Original Petition bearing number 23072 of 2022 against The State of Tamil Nadu and Muniyasamy under section 482 of the Code of Criminal Procedure, 1973 before the Hon'ble High Court of Madras at Madurai Bench for quashing the impugned charge sheet filed in S.T.C. No. 1166 of 2022 before the Hon'ble Judicial Magistrate No. II, Srivilliputtur.

On April 12, 2022, Mr. Muniyasamy, 2nd Respondent, got his hand stuck in the running machine and in this accident lost his index finger, middle finger and ring finger. On April 21, 2022, the 2nd Respondent filed an FIR bearing number 86 of 2022 under section 287 and 338 of the Indian Penal Code, 1860 against the Petitioners, pursuant to which the said impugned charge sheet was filed in the S.T.C. No. 1166 of 2022.

However, as per the provisions of the Factories Act, 1948 a complaint had been filed bearing numbers C.C. No. 437 of 2022 and C.C. No. 438 of 2022 before the Chief Judicial Magistrate, Srivilliputtur and as on August 13, 2022 had imposed a fine of Rs. 30,000/- and Rs. 35,000/- respectively and which has been paid.

Further, the Petitioners states that upon reading of the impugned charge sheet it would not disclose any of the ingredients of rash or negligent act so as to attract the offences of Section 287 & 338 of Indian Penal Code. The Petitioners pray that the impugned charge sheet be quashed immediately. The matter is presently pending.

2. **Civil proceedings**
Nil

C. *Tax proceedings*

(in ₹)

Particulars	No. of cases	Amount involved
Direct Tax	3	14,948
Indirect Tax	Nil	Nil
Total	3	14,948

II. Litigation involving our Promoters

A. Litigation filed against our Promoters

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Civil proceedings

Nil

B. Litigation filed by our Promoters

1. Criminal proceedings

i. *Jai Hind and A. Ilavarasu vs. The State of Tamil Nadu and Muniyasamy – Crl. O.P. No. 23072/2022*

For details pertaining to this litigation, please see "*Outstanding Litigation and Material Developments – Litigation Filed by our Directors – Criminal Proceedings - Jai Hind and A. Ilavarasu vs. The State of Tamil Nadu and Muniyasamy – Crl. O.P. No. 23072/2022*" of this chapter beginning on page [●] of this Draft Prospectus.

2. Civil proceedings

Nil

C. Tax proceedings

(in ₹)

Particulars	No. of cases	Amount involved
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil

III. Litigation involving our Group Companies

A. Litigation filed against our Group Companies

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Civil proceedings

Nil

B. Litigation filed by our Group Companies

1. **Criminal proceedings**
Nil

2. **Civil proceedings**
Nil

C. *Tax proceedings*

(in ₹)

Particulars	No. of cases	Amount involved
Direct Tax	13	40,68,520
Indirect Tax	Nil	Nil
Total	13	40,68,520

Outstanding dues to creditors

As per the Restated Financial Statements, 10% of our profit after tax as at July 31, 2022 was ₹36.26 Lakhs and accordingly, creditors to whom outstanding dues exceed ₹36.26 lakhs have been considered as material creditors for the purposes of disclosure in the Draft Prospectus.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at July 31, 2022, by our Company, are set out below:

(₹ in Lakhs)

Type of creditors	Number of creditors	Amount involved
Material creditors	2	92.97
Micro, Small and Medium Enterprises	0	0.00
Other creditors	385	363.20
Total*	387	456.17

Material Developments

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Material Developments Subsequent To March 31, 2022*" on page 208 of this Draft Prospectus, there have not arisen, since the date of the last financial information disclosed in this Draft Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations and permits issued by relevant Central and State regulatory authorities under various rules and regulations. For details see "Key Industry Regulations and Policies" on page 142 of this Draft Prospectus.

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

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

I. APPROVALS FOR THE ISSUE

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

The issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on October 1, 2022 subject to the approval of the shareholders of the Company and such other authorities, as may be necessary.

The shareholders of the Company have, pursuant to a special resolution passed in Extra-Ordinary General Meeting held on December 12, 2022 authorised the Issue under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.

We have received in principle approval from National Stock Exchange of India Limited vide their letter dated [●] bearing reference no [●] to use the name of National Stock Exchange of India Limited in the Draft Prospectus for listing of our Equity Shares on National Stock Exchange of India Limited Platform of NSE Emerge.

II. CORPORATE APPROVALS

- 1) Certificate of Incorporation dated July 23, 1996 issued by Registrar of Companies, Tamil Nadu.
- 2) Fresh Certificate of Incorporation dated May 31, 2022 issued by Registrar of Companies, Chennai pursuant to conversion of our Company to public limited company and subsequent to change of name from 'S.A.Aanandan Spinning Mills Private Limited' to 'S.A.Aanandan Spinning Mills Limited'.
- 3) Fresh certificate of incorporation dated August 5, 2022 issued by the Registrar of Companies, Chennai pursuant to the change in the name of our Company from 'S.A. Aanandan Spinning Mills Limited' to 'S.A. Aanandan Mill Limited'.
- 4) Corporate Identity Number (CIN): U17116TN1996PLC036146

III. AGREEMENTS WITH NSDL AND CDSL

- 1) The Company has entered into an agreement dated September 9, 2022 with the Central Depositories Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, in this case being Cameo Corporate Services Limited for the dematerialization of its shares.
- 2) The Company has entered into an agreement dated September 12, 2022 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, in this case being Cameo Corporate Services Limited for the dematerialization of its shares.

3) The Company's International Securities Identification Number ("ISIN") is INE0N7T01018.

IV. TAX RELATED APPROVALS

No.	Description	Authority	Registration No.	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AADCS5060L	September 7, 2022	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	MRIS03230D	December 5, 2022	Valid until cancelled
3.	GST registration certificate under the provisions of Central Goods and Services Tax, 2017 – Srivilliputtur, Tamil Nadu	Goods and Services Tax Department	33AADCS5060L1ZB	September 20, 2022	Valid until cancelled
4.	GST registration certificate under the provisions of Central Goods and Services Tax, 2017 – Chittoor, Andhra Pradesh	Goods and Services Tax Department	37AADCS5060L2Z2	September 13, 2022	Valid until cancelled
5.	GST registration certificate under the provisions of Central Goods and Services Tax, 2017 – Kolkata, West Bengal	Goods and Services Tax Department	19AADCS5060L1Z1	October 29, 2022	Valid until cancelled
6.	Authorised Economic Operator – T1 Certificate	Central Board of Indirect Taxes and Customs, Ministry of Finance	INAADCS5060L1F215	March 26, 2021	March 25, 2024

V. LABOUR LAW RELATED APPROVALS

No.	Description	Authority	Registration No.	Date of Issue	Date of Expiry
1.	EPF Registration Code	Employees' Provident Fund Organisation	MDMDU0041447000	Not Available	Valid until cancelled

No.	Description	Authority	Registration No.	Date of Issue	Date of Expiry
2.	ESIC Registration Code	Employees State Insurance Corporation	57000293270000101	Not Available	Valid until cancelled

VI. OTHER BUSINESS APPROVALS

Our Company requires various other approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals will be submitted in accordance with applicable procedures and requirements as and when required. Also consequent to change in the name of the Company, it is required to update the new name in various licenses/ certificates and we are in the process to make the relevant applications for changing the same. An indicative list of material approvals required by us to undertake our business is provided below:

No.	Description	Authority	Registration No.	Date of Issue	Date of Expiry
1.	UDYAM Registration Certificate	Ministry of Micro, Small and Medium Enterprises	UDYAM-TN-32-0000394	August 1, 2020	Valid until cancelled
2.	Importer Exporter Code	Directorate General of Foreign Trade, Ministry of Commerce and Industry	3597001653	July 17, 1997	Valid until cancelled
3.	Certificate of Registration of Establishment – Door no: 18-784, Church Street, Chittoor, 517001	Labour Department, Government of Andhra Pradesh	AP-10-54-008-02905430	June 24, 2022	March 31, 2023
4.	Certificate of Registration of Establishment – Door no: 10-1001/2, Yadav Street, Chittoor, 517001	Labour Department, Government of Andhra Pradesh	AP-10-54-008-02905471	June 24, 2022	March 31, 2023
5.	Certificate of Registration of Establishment – Door no: 18-934 935, Prakasam High Road, Chittoor, 517001	Labour Department, Government of Andhra Pradesh	AP-10-54-008-02905454	June 24, 2022	March 31, 2023
6.	Certificate of Recognition – Two Star Export House	Directorate General of Foreign Trade, Ministry of	CMBSTATAPPLY00047268AM22	March 11, 2022	March 11, 2027

No.	Description	Authority	Registration No.	Date of Issue	Date of Expiry
		Commerce & Industry			
7.	Consent to Establish – under Air (Prevention and Control of Pollution) Act, 1981	Tamil Nadu Pollution Control Board	12386	October 14, 1997	-
8.	Consent to Establish – under Water (Prevention and Control of Pollution) Act, 1974	Tamil Nadu Pollution Control Board	16258	October 14, 1997	-
9.	Consent to Operate – under Air (Prevention and Control of Pollution) Act, 1981 as amended in 1987*	Tamil Nadu Pollution Control Board	2108238049312	April 22, 2021	March 31, 2023
10.	Consent to Operate – under Water (Prevention and Control of Pollution) Act, 1974 as amended in 1988*	Tamil Nadu Pollution Control Board	2108138049312	April 22, 2021	March 31, 2023
11.	Fire NOC	Fire & Rescue Officer, District Fire Office, Rajapalayam Virudhunagar District	12955/E/2022	October 25, 2022	October 25, 2023
12.	Registration-cum-Membership Certificate (Merchant Cum Manufacturer Exporter - Apparel Export Promotion Council)	Apparel Export Promotion Council	AEPC/REG/SM/ME R/209164	May 13, 2022	March 31, 2023
13.	Registration-cum-Membership Certificate (Merchant Cum Manufacturer Exporter - Powerloom Development &	Powerloom Development & Export Promotion Council	PLMR/MER/21242/2 010-2011	May 12, 2022	March 31, 2023

No.	Description	Authority	Registration No.	Date of Issue	Date of Expiry
14.	Export Promotion Council) Registration-cum-Membership Certificate (Merchant Cum Manufacturer Exporter - Cotton Textiles Export Promotion Council)	Cotton Textiles Export Promotion Council	MY/MM/20695(97)-S	May 12, 2022	March 31, 2023
15.	Standard 100 by OEKO-TEX Certificate for the use of Standard 100 by OEKO-TEX mark for raw yarns made of 100% cotton	Hohenstein Textile Testing Institute, GmbH & Co., Germany	22.HIN.28122	October 14, 2022	October 31, 2023
16.	Certificate of Registration – Supplier for Cotton Made in Africa	Aid by Trade Foundation	YF –61/2023	-	January 31, 2024
17.	Fairtrade Certificate for compliance with fairtrade	FLOCERT GmbH	FLO ID 37314	November 15, 2022	November 22, 2025

* Application for name change in the Consent to Operate. For details see "**Government and Other Statutory Approvals – Material approvals or renewals for which applications are currently pending before relevant authorities**" of this chapter beginning on page 223 of this Draft Prospectus.


Our Company has procured quality certifications/ Scope Certificates from CU Inspections & Certifications India Private Limited for various product categories manufactured and process categories undertaken by the Company.

VII. Material approvals required but not obtained or applied for

Sr. No.	Description	Authority
1.	License under The Tamil Nadu Shops and Establishment Act, 1947 for Post Spinning Process Facility located at 15/87A, THATCO Colony, Sundarapandiam, Tamil Nadu – 626126, 24/25, Pillaimar Middle Street, Sundarapandiam, Tamil Nadu – 626126 and Door No. 663, Melapatnam Karisalkum Village, Rajapalayam Taluka.	From the concerned authority.
2.	License under The Tamil Nadu Shops and Establishment Act, 1947 for Storage of raw materials located at SF No. 10/1, Mamsapuram, Srivilliputtur Taluka, Tamil Nadu – 626110.	From the concerned authority.

Sr. No.	Description	Authority
3.	Certificate of Registration of Establishment under the Andhra Pradesh (Issuance of Integrated Registration and Furnishing of Combined returns under various Labour Laws by certain Establishments) Act, 2015 for Retail Business – Godown located at D No. 18-663/664, Muthu Maisty Street, 1 st & 2 nd Floors, Chittoor Town, Chittoor District, Andhra Pradesh, D No. 18-739/2, 1 st Floor, MM Street, Chittoor Town, Chittoor District, Andhra Pradesh and D No. 18-991, 2 nd Floor, PH Road, Chittoor Town, Chittoor District, Andhra Pradesh.	Labour Department, Government of Andhra Pradesh

VIII. Pending Intellectual Property related approvals Application

No.	Application Number	Trade Mark Application and Status	Class of Registration	Trade Mark
1.	5628083	The Company has made an application for obtaining Trade Mark for Word Mark as on September 28, 2022	23	SAA
2.	5628084	The Company has made an application for obtaining Trade Mark for Image Mark as on September 28, 2022	23	

IX. Material approvals or renewals for which applications are currently pending before relevant authorities

As on the date of filing this Draft Prospectus, our Company has made:

1. Application for name change of the Company and name change of the Occupier of the Factory in the Factory License issued by Directorate of Industrial Safety and Health bearing number VNR03397.
2. Application vide letter dated October 27, 2022, for name change of the Company in the Consent to Operate - under Air (Prevention and Control of Pollution) Act, 1981 as amended in 1987 bearing number 2108238049312 and Consent to Operate – under Water (Prevention and Control of Pollution) Act, 1974 as amended in 1988 bearing number 2108138049312 issued by the Tamil Nadu Pollution Control Board.
3. Application vide letter dated December 29, 2022, for name change of the Company in Form C Certificate of Registration of Establishment bearing numbers AP-10-54-008-02905430, AP-10-54-008-02905471 and AP-10-54-008-02905454 issued by the Labour Department, Government of Andhra Pradesh.

X. Material licenses / approvals for which our Company and Material Subsidiary is yet to apply for:

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on October 01, 2022 subject to the approval of shareholders of our Company through a special resolution to be passed, pursuant to Section 62(1) (c) of the Companies Act, 2013.

The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM of our Company held on December 12, 2022.

Our Board has approved this Draft Prospectus through its resolution dated January 03, 2023.

Our Board has approved the Prospectus through its resolution dated [●], 2023.

We have received In-Principle Approval from EMERGE Platform of National Stock Exchange of India Limited vide their letter dated [●] to use the name of National Stock Exchange of India Limited in the Prospectus for listing of our Equity Shares on EMERGE Platform of National Stock Exchange of India Limited. National Stock Exchange of India Limited is the Designated Stock Exchange.

PROHIBITION BY SEBI

Our Company, Promoters, Promoter Group, Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

CONFIRMATIONS

1. Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Prospectus.
2. Our Directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our directors are associated as promoters or directors in past 5 (five) years.

ELIGIBILITY FOR THE ISSUE

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

- i. Neither our Company, nor any of its promoters, promoter group or Directors are debarred from accessing the capital market by the Board.
- ii. Neither our promoters, nor any Directors of our Company is a Promoter or Director of any other company which is debarred from accessing the capital market by the Board
- iii. Neither our Promoter nor any of our Directors is declared as Fugitive Economic Offender
- iv. Neither our Company, nor our Promoter, nor our Directors, are Wilful Defaulters or Fraudulent Borrowers or Fugitive Economic Offenders.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations, 2018.

Our Company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**EMERGE Exchange**", in this case being the EMERGE Platform of

NSE Limited or “NSE EMERGE”). Our Company also complies with eligibility conditions laid by EMERGE Platform of NSE Limited for listing of Equity Shares.

We confirm that:

- a. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, 2018, the Lead Manager shall ensure that the Issuer shall file copy of the Draft Prospectus / Prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus / Prospectus to SEBI.
- b. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue has been one hundred (100) percent underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see “**General Information**” on page 61 of this Draft Prospectus.
- c. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within eight (8) days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to unblock such application money with interest as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable laws.
- d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “**General Information**” on page 61 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

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

In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for EMERGE Platform of NSE, which are as under

1. The issuer should be a Company incorporated Under Companies Act, 1956/ 2013

Our Company is incorporated under the Companies Act, 1956 on July 23, 1996.

2. The post issue paid up capital of the Company (face value) shall not be more than ₹ 25 crores.

The post issue paid up capital of the Company shall not be more than ₹25 crores.

3. Track Record

Our Company was incorporated on July 23, 1996 and has a track record of at least 3 years as on the date of filing Draft Prospectus.

4. The Company/entity should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive

Cash Accruals

(₹ in lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
Cash Accruals as per Restated Financial Statement	1800.43	1170.38	229.47

Net Worth

For the period ended July 31, 2022 is Rs. 1742.94 Lakhs

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

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

The Company's shares bear an ISIN No: INE0N7T01018

Company shall mandatorily have a website.

Our Company has a live and operational website www.saa.india.com.

6. Other Listing Condition:

- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against the Company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- There has been no change in the Promoter/s of the Company in preceding one year from the date of filing application to NSE Limited for listing on EMERGE segment.

7. DISCLOSURES

- There is no material regulatory or disciplinary action taken by any stock exchange or regulatory authority in the past one year in respect of promoters of our Company.
- There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters/promoting Company(ies), group companies, companies promoted by the Promoters/Promoting Company(ies) during the past three years.
- There are no criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its Directors and its effect on the business of the Company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For further details please refer the section titled "**Legal and Other Information**" on page 218 of this Draft Prospectus
- The applicant, Promoters/Promoting Company(ies), Group Companies, companies promoted by the Promoters/Promoting Company(ies) litigation record, the nature of litigation, and status of litigation. For further details please refer the section titled "**Legal and Other Information**" on page 218 of this Draft Prospectus.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the EMERGE Platform of the NSE Limited.

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS / 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 THE ISSUE IS

PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS / PROSPECTUS. THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS / PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS / PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 03, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT PROSPECTUS / PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS AND PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, MUMBAI, IN TERMS OF SECTION 26 OF THE COMPANIES ACT, 2013.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of the above-mentioned entities and that anyone placing on any other source of information, including our website: www.saaindia.com , www.fedsec.in would be doing so at his or her own risk.

None amongst our Company is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Applications Amount in the ASBA Account 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.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

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 companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks, Regional Rural Banks, Co-Operative Banks (subject to RBI permission), or Trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares,

and any FII Sub - Account registered with SEBI which is a Foreign Corporate or Foreign Individual, Permitted Insurance Companies and Pension Funds and to FIIs and Eligible NRIs. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft 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 Rajapalayam, Tamil Nadu, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE LIMITED

As required, a copy of this Draft Prospectus has been submitted to NSE Limited. The Disclaimer Clause as intimated by the NSE Limited to us, post scrutiny of this Draft Prospectus will be produced by our Company in the Prospectus.

DISCLAIMER CLAUSE OF THE U.S. SECURITIES ACT.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act).

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

LISTING

Our Company has obtained In-Principle Approval from NSE Limited vide letter dated [●] to use name of NSE Limited in this offer document for listing of equity shares on EMERGE Platform of NSE Limited. In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-principle approval from EMERGE Platform of NSE Limited. Application will be made to the EMERGE Platform of NSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

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, the Company shall forthwith unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not unblocked within Eight days after our Company becomes liable to unblock it then our Company and every officer in default shall, on and from such expiry of Eight days, be liable to unblock such application money, with interest at the

rate of 15% per annum on application money, as prescribed under 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 the NSE Limited mentioned above are taken within Six Working Days from the Issue Closing Date.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or vis-à-vis otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013.”

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

CONSENTS

The written consents of Directors, Company Secretary, Compliance Officer & Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Legal Chapters, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to Issue and Sponsor Bank to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, restated financial statements and statement of Tax Benefits dated November 07, 2022 and November 07, 2022 respectively, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at www.fedsec.in.

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED

TABLE 1

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Kuberan Global Edu Solutions Limited	1.16	20	May 05, 2021	21.00	-7.50% (7.30%)	-10.25% (8.78%)	-30.00% (24.95%)
2.	Aashka Hospitals Limited	101.64	121	September 01, 2021	121.1	-58.68% (3.12%)	-64.34% (-0.14%)	-62.89% (-1.90%)
3.	Euro Panel Products Limited	45.15	70	December 24, 2021	70.00	62.36% (0.85%)	39.29% (1.42%)	36.14% (-8.03%)
4.	Wherrelz IT Solutions Limited	2.01	171	December 29, 2021	173.05	19.88% (-0.92%)	18.13% (-0.37%)	16.96% (-8.11%)
5.	Sunrise Efficient Marketing Limited	16.69	121	April 12, 2022	121.25	0.41% (-7.66%)	-20.00% (-7.14%)	-9.92% (-1.00%)
6.	Le Merite Exports Limited	48.00	75	May 09, 2022	75	-5.13% (0.70%)	-16.00% (7.50%)	-15.27% (273.89%)
7.	Kesar India Limited	15.82	170	July 12, 2022	172.50	47.35% (9.15%)	31.76% (7.62%)	Not Applicable
8.	Virtuoso Optoelectronics Limited	30.24	56	September 15, 2022	117.00	183.75% (-3.36%)	145.54% 4.34%	Not Applicable
9.	Tapi Fruit Processing Limited	5.21	48	September 22, 2022	52.10	4.38% (-0.30%)	41.67% 4.29%	Not Applicable
10.	Moxsh Overseas Limited	10.42	153	December 30, 2022	131.00	Not Applicable	Not Applicable	Not Applicable

Sources: www.bseindia.com and www.nseindia.com

Notes:

1. Opening price information as disclosed on the website of the Designated Stock Exchange.
2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
3. For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
4. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
5. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
6. This disclosure is restricted to last 10 issues handled by the Lead Manager.

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds Raised (₹. Cr)	Nos of IPOs trading at discount on 30th Calendar Day from listing date			Nos of IPOs trading at premium on 30th Calendar Day from listing date			Nos of IPOs trading at discount on 180th Calendar Day from listing date			Nos of IPOs trading at premium on 180th Calendar Day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-21	*2	49.64	-	-	1	-	-	1	-	-	1	1	-	-
2021-22	**5	153.99	1	-	2	1	-	1	1	1	-	-	1	2
2022-23	***6	126.38	-	-	1	-	1	1	-	-	-	-	-	-

*The script of Atam Valves Limited and Rangoli Tradecomm Limited were listed on October 06, 2020 and March 22, 2021 respectively.

** The script of Kuberan Global Edu Solutions Limited, Aashka Hospitals Limited Euro Panel Products Limited and Wherrelz IT Solutions Limited were listed on April 15, 2021, May 05, 2021, September 01, 2021, December 24, 2021 and December 29, 2021 respectively.

*** The scripts of Sunrise Efficient Marketing Limited, Le Merite Exports Limited and Kesar India Limited were listed on April 12, 2022, May 09, 2022 and July 12, 2022, respectively. The scripts of Kesar India Limited, Virtuoso Optoelectronics Limited and Tapi Fruit Processing Limited were listed on July 12, 2022, September 15, 2022 and September 22, 2022, respectively and have not completed 180 calendar days

Track Record of past issues handled by Fedex Securities Private Limited

For details regarding track record of the Lead Manager to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: www.fedsec.in.

EXPERT OPINION

Except for

(a) Peer Review Auditors' reports dated November 07, 2022 on the Restated Financial Statements by Grandmark & Associates, Chartered Accountants;

(b) Statement of Tax Benefits dated November 07, 2022 by Grandmark & Associates, Chartered Accountants; we have not obtained any other expert opinions.

PREVIOUS PUBLIC OR RIGHTS ISSUE

Except as stated in the chapter titled "*Capital Structure*" beginning on page **Error! Bookmark not defined.** of this Draft Prospectus, we have not made any previous rights and / or public issues during the last Five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

COMMISSION OR BROKERAGE

We have not made any public issue in last five (5) years. Hence, no sums have been paid or payable as Commission or Brokerage.

CAPITAL ISSUE DURING THE PREVIOUS THREE (3) YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY

Except as disclosed in Chapter titled "*Capital Structure*" on page **Error! Bookmark not defined.** and below, our Company, Group Companies and Subsidiaries Company has not made any capital issue during the previous three (3) years. Further Our Company do not have any listed group Companies/ Subsidiaries / Associates.

PERFORMANCE VIS-À-VIS objects;

Except as stated in the chapter titled "*Capital Structure*" beginning on page **Error! Bookmark not defined.** of this Draft Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies have their equity shares listed on any stock exchange.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years 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 the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and

designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

Disposal of Investor Grievances by our Company

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company.

All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

The Company shall obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on October 13, 2022 comprising of Sudha Illavarasu as a Chairman, Chandrashekhar Guruswamy Aiyar and C Rajasekharan as members. For further details, please refer the chapter titled ***"Our Management"*** on page 152 of Draft Prospectus.

Our Company has also appointed Reet Phulwani as the Company Secretary and Compliance Officer of our Company, for this Issue she may be contacted in case of any pre-issue or post-issue related problems at the following address:

S.A. AANANDAN MILL LIMITED

100, Srivilliputhur Road, Padikasuvaithanpatti Village,
Mamsapuram, Rajapalayam, Virudhunagar District,
Tamil Nadu 626110, India

Tel No: +91 4563 233100

Email: accounts@saaindia.com

Website: www.saaindia.com

SECTION VIII – ISSUE INFORMATION

TERMS OF ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Draft Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Authority for the Present Issue

This Issue has been authorized by a resolution of our Board passed at their meeting held on October 01, 2022 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 Extra Ordinary General Meeting of the Company held on December 12, 2022.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “**Main Provisions of the Articles of Association**” beginning on page 283 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on page 177 and 283 respectively of this Draft Prospectus.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10.00/- each and the Issue Price is ₹ [●] /- per Equity Share (including premium of ₹ [●]/- per Equity Share). The Anchor Investor Offer Price is ₹[●] per Equity Share. The Price Band, employee discount, if any, and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the LMs, and advertised in [●] editions of [●], an English national daily newspaper, and a widely circulated Hindi national daily (Hindi also being the regional language of Tamil Nadu, 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 Exchanges for the purpose of uploading the same on their websites. 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 on the respective websites of the Stock Exchanges..

At any given point of time there shall be only one denomination for the Equity Shares.

The Issue

The Issue comprises a Fresh Issue by our Company. Expenses for the Issue shall be in the manner specified in "*Objects of the Issue*" on page no. 83 of this Draft Prospectus.

Compliance with SEBI ICDR Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy in accordance with the provisions of the Companies Act, 2013;
- Right to receive offer/ issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “**Main Provisions of Articles of Association**” beginning on page 283 of this Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by EMERGE Platform of National Stock Exchange of India Limited from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Share 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.

In accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

The minimum number of allottees in this Issue shall be fifty (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 the SCSBs shall be unblocked within Four (4) working days of closure of issue.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Applicant will only be in the dematerialized form. Applicant will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Rajapalayam, Tamil Nadu, India.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant, along with other joint applicant, may nominate any one (1) person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON	[•]
ISSUE CLOSES ON	[•]
FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	[•]

INITIATION OF REFUNDS / UNBLOCKING OF FUNDS FROM ASBA ACCOUNT	[•]
CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES	[•]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE	[•]

- *In terms of Regulation 265 of ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.*
- *In terms of Regulation 266 (3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to subject to the Issue Period not exceeding ten (10) working days*

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE EMERGE are taken within six (6) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from NSE EMERGE. The Commencement of trading of the Equity Shares will be entirely at the discretion of NSE EMERGE and in accordance with the applicable laws.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Application Forms:

Issue period (except the Issue Closing Date)	
Submission and Revision of Application Form	Only between 10.00 a.m. to 5.00 p.m. IST
Issue Closing Date	
Submission and Revision of Application Form	Only between 10.00 a.m. to 3.00 p.m. IST

*On the **Issue Closing Date**, for uploading the Application Forms:*

1. Until 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to the Stock Exchange.

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in the Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the

Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from NSE EMERGE may be taken as the final data for the purpose of Allotment.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation.

If the issuer does not receive the subscription of hundred per cent (100%) of the offer through Prospectus on the date of closure of the issue including devolvement of underwriters, if any, or if the subscription level falls below hundred per cent (100%) after the closure of issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchange for the securities so offered under the Prospectus, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond Four (4) days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent per annum (15% p.a)

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within Four (4) working days of closure of issue.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of [●] Equity shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE Platform of NSE Limited.

The lead merchant banker shall ascertain whether the issuer coming for fresh issue of capital proposes to set up trusts in order to provide service to the investors in the matter of disposal of odd lot shares of the issuer held by them and if so, disclosures relating to setting up and operation of the trust shall be contained in the offer document.

Whenever any issue results in issue of shares in odd lots, the issuer, shall as far as possible issue certificates in the denomination of 1-2-5-10-20-50 shares. (Point mentioned in ICDR: No mention in any Draft Prospectus)

Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two (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 or the Sponsor Bank 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. If the Issue is withdrawn after the designated Date, amounts that have been credited to the Public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is registered with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue, our Company shall file a fresh Draft Prospectus.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the Pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "**Capital Structure**" beginning on page 70 of the Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the section titled "**Main Provisions of the Articles of Association**" beginning on page 283 of the Draft Prospectus.

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 this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

Migration to Main Board

The Company may be migrated to Main Board pursuant to Regulation 277 of the SEBI (ICDR) Regulation and in accordance to that Securities Exchange Board of India (SEBI) vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010 has stipulated the requirements for migration from SME platform to main board. The migration eligibility of NSE is notified on <https://www.nseindia.com/companies-listing/raising-capital-public-issues-emerge-selecting-a-migrationto-main-board> and as amended time to time.

Market Making

The shares offered though this issue is proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the EMERGE Platform of National Stock Exchange of India Limited for a minimum period of three (3) years from the date of listing of shares offered though this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see "**General Information**" beginning on page 61 of this Draft Prospectus.

New Financial Instruments

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs 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.

Allotment of Equity Shares Only in Dematerialized Form

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

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

- Tripartite agreement dated September 09, 2022 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated September 12, 2022 among NSDL, our Company and the Registrar to the Issue

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

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital exceeds ₹10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("EMERGE Exchange", in this case being the EMERGE Platform of National Stock Exchange of India Limited). 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 239 and 249 respectively of this Draft Prospectus.

Public issue of up to 70,00,000 Equity Shares of face value of ₹ 10.00 /- each for cash at a price of ₹ [●] per equity share including a securities premium of ₹ [●] per equity share (the "issue price") aggregating to ₹ [●] ("The Issue") by our Company.

Particulars	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares	[●]*	[●]
Percentage of Issue Size available for allocation	[●]	[●]
Basis of Allotment/Allocation if respective category is oversubscribed	[●]	[●]
Mode of Application	Retail Individual Investor may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI ID) shall apply through ASBA process only.	Through ASBA mode Only.
Minimum Application Size	For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000 For Retail Individuals: Such number of equity shares where application size is of at least [●].	[●] Equity Shares
Maximum Bid	For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed [●] Equity Shares subject to adhere under the relevant laws and regulations as applicable. For Retail Individuals: Such number of equity Shares so that the Application Value does not exceed ₹ 2,00,000/-	[●] Equity Shares

Particulars	Net Issue to Public	Market Maker Reservation Portion
Mode of Allotment	Compulsorily in dematerialized mode	Compulsorily in dematerialized mode
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of payment	In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant.	

* 50% of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are available for applications whose value is above ₹ 2,00,000.

Note:

- 1. In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of beneficiary account held in joint names. The signature of only such First Applicant would be Required in the Application Form and such First Applicant would be deemed to have signed on behalf of joint holders.*
- 2. Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
- 3. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details please refer chapter titled “**Issue Procedure**” beginning on page 249 of this Draft Prospectus.*

ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issue (“GID”), prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI and updated pursuant to the circular SEBI/HO/CFD/DIL2/CIR/P/2 dated March 30, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the website of Stock Exchange, the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum application size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (**collectively the “UPI Circulars”**) has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days. The same was applicable until June 30, 2019 (**“UPI Phase I”**).

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (**“UPI Phase II”**). 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. Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs (**“UPI**

Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public issue opening on or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Prospectus.

Thereafter, the final reduced timeline may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“**UPI Phase III**”), as may be prescribed by SEBI. Accordingly, the Offer will be made under UPI Phase II, unless UPI Phase III becomes effective and applicable on or prior to the Bid / Offer Opening Date. If the Offer is made under UPI Phase III, the same will be advertised in [●] editions of the English national daily newspaper, [●] editions of the Hindi national daily newspaper, [●] and [●] editions of the regional newspaper, [●] (Hindi being the regional language of Tamil Nadu, where our Registered Office is located) on or prior to the Bid / Offer Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their websites. Further SEBI vide circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 have brought the implementation of the aforesaid circular dated March 16, 2021 in accordance with the revised timelines for certain of its provisions based on representations received from the stakeholders due to Covid-19 pandemic. The revisions of the circular dated June 02, 2021 are elaborated as under: -

- SCSB’s shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Issues opening on/after January 01, 2022.
- The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.
- In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB’s etc., the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.
- The Stock Exchanges and Book Running Lead Managers shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.
- The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized.
- The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1.
- Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Applicant in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on www.sebi.gov.in. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

Phased implementation of Unified Payments Interface

SEBI has issued a **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 Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I:

This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the 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 would continue to be six working days.

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 Applicant 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.

Phase III:

The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three working days.

The revisions of the circular dated June 02, 2021 are elaborated as under: -

SCSB's shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Issues opening on/after January 01, 2022. The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.

In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB's etc., the same shall be intimated immediately to the CUG entities so as

to facilitate the flow of information in the Public Issue process. The Stock Exchanges and Book Running Lead Managers shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue. The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized. The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1. Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4. The Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIBs using the UPI

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI payment mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange www.sebi.gov.in and the Lead Manager www.fedsec.in.

Fixed Price Issue Procedure

The Issue is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. Applicants will not have the option of getting allotment of the Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

ELECTRONIC REGISTRATION OF APPLICATIONS

a) The Designated Intermediary may register the Application using the online 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 online facilities for Fixed Process on a regular basis before the closure of the Issuer.

b) On the Application/Issuer Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchange and as disclosed in the Prospectus.

c) Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Application/Issuer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Application/Issuer Period after which the Stock Exchange send the information to the Registrar to the Issue for further processing.

Availability of Prospectus and Application Forms

Copies of the Application Form and the Draft Prospectus / Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA)	White*

Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue*
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*Excluding electronic Application Form.

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic Bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSBs, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

Application Forms will also be available on the website of the NSE (www.nseindia.com). Same Application Form applies to all ASBA Applicants/ Retail Individual Investors applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

Submission and Acceptance of Application Form

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”).

Sr No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
4.	A depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	Registrar to an issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Application Forms to SCSBs only

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may by blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For Applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:	<p>After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s).</p> <p>Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account</p>
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Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID/ClientID 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.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Application are deemed to have authorised our Company to make the necessary changes in the prospectus, without prior or subsequent notice of such changes to the Applicants.

Who can apply?

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

1. FPIs other than Category III foreign portfolio investor;
2. Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
3. Mutual Funds registered with SEBI;
4. VCFs registered with SEBI;
5. FVCIs registered with SEBI;
6. Multilateral and bilateral development financial institutions;
7. State Industrial Development Corporations;
8. Insurance companies registered with Insurance Regulatory and Development Authority;
9. Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
10. Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
11. National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
12. Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
13. Nominated Investor and Market Maker
14. Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
15. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except under guardianship)
2. Partnership firms or their nominees
3. Foreign Nationals (except NRI)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

For Retails Individual Applicants

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2,00,000.

For Other than Retail Individual Investors (Non-Institutional Investors and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Participation by associates/affiliates of Lead Manager

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis

Option to Subscribe to the Issue

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Application By HUF

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Applicant /Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors (other than minor having valid depository accounts as per demographic details provided by the depository), Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures

in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Application by Eligible NRIs/FII's on Repatriation Basis

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme ("PIS") is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

Application by FPIs

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased upto the sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the FPI Regulations, an FPI, by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its

underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated Depository Participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

Application by SEBI registered VCFs, AIFs and FVCIs

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) investee company. A category III AIF cannot invest more than 10% of their investible funds in one (1) investee company. A venture capital fund registered as a category I AIF, as defined in SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Application by provident funds/ pension funds

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof

Application by limited liability partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

Application by Banking Companies

In case of Application made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment

committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “Banking Regulation Act”), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks’ own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Application by Insurance Companies

In case of Application made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time including the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

- i. Equity shares of a company: the lower of 10% of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;
- ii. 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 a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- iii. The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, 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 points (i), (ii) or (iii) 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 ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

Application by SCSBs

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Systemically Important Non-Banking Financial Companies

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Application under Power of Attorney

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- With respect to Applications made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

Application by OCBs

In accordance with RBI regulations, OCBs cannot participate in this Issue.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on [/www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

ASBA Process and Electronic Registration of Application

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER/SCSBS/REGISTRAR AND SHARE TRANSFER AGENTS/DEPOSITORY PARTICIPANTS/STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.

Who can apply?

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the

Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

Terms of payment

The entire Issue price of ₹ [●] /- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment Mechanism

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Applicant, as the case may be.

PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)

In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.

Who can apply through UPI Mode:

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

Process

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: www.sebi.gov.in.

Blocking of Funds:

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

UNBLOCKING OF FUNDS:

- a) After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.

REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

LIST OF BANKS PROVIDING UPI FACILITY

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock

Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
 1. Name of the Applicant;
 2. IPO Name;
 3. Application Form number;
 4. Investor Category;
 5. PAN (of First Applicant, if more than one Applicant);
 6. DP ID of the demat account of the Applicant;
 7. Client Identification Number of the demat account of the Applicant;
 8. UPI ID (RIIs applying through UPI Mechanism)
 9. Numbers of Equity Shares Applied for;
 10. Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 11. Bank account number
 12. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
 13. The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
 14. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
 15. In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.
 16. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
 17. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on

the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

WITHDRAWAL OF APPLICATIONS

RIIs can withdraw their applications until Issue Closing Date. In case a RII wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

SIGNING OF UNDERWRITING AGREEMENT

The issue is 100% Underwritten. For further details please refer to Section titled “*General Information*” on page 61 of this Draft Prospectus.

FILING OF THE DRAFT PROSPECTUS

For filing details, please refer Chapter titled “*General Information*” beginning on page 61 of this Draft Prospectus.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

PRICE DISCOVERY AND ALLOCATION OF EQUITY SHARES

- a) The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- b) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange.
- c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- e) Allotment status details shall be available on the website of the Registrar to the Issue.

ISSUANCE OF ALLOTMENT ADVICE

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository

Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
2. Issuer will ensure that: (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant's Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.
3. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

ISSUANCE OF CONFIRMATION ALLOCATION NOTE ("CAN")

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

DESIGNATED DATE

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

GENERAL INSTRUCTIONS

Applicants are requested to note the additional instructions provided below.

Do's:

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, UPI ID (if applicable), DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms. Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;

5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be), ensure that the Application Form is signed by the ASBA account holder (or the UPI-linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;
7. All Applicants (other than Anchor Investors and RII using UPI Mechanism) should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary.
8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected.
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;
16. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected; Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
22. Ensure that you have correctly signed the authorization /undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
23. Ensure that you have mentioned the correct ASBA Account number (for all Applicant other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
25. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

Don'ts:

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the

applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;

9. Do not submit the General Index Register number instead of the PAN;
10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
16. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
18. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
19. Do not submit more than five (5) ASBA Forms per ASBA Account;
20. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
21. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
22. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Instructions for completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted

directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

Applicant’s Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant’s bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Payment by Stock Invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

OTHER INSTRUCTIONS

JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

MULTIPLE APPLICATIONS

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant’s status. Further, these applications are electronically matched for common first name and address and if matched, these

are checked manually for age, signature and father/ husband 's name to determine if they are multiple applications.

- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Book Running Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

- All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

PERMANENT ACCOUNT NUMBER ("PAN")

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

Our Company/ Registrar to the Issue, Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

GROUND FOR TECHNICAL REJECTIONS

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

- a. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- b. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- c. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- d. PAN not mentioned in the Application Form or mismatched;
- e. GIR number furnished instead of PAN;
- f. Applications for lower number of Equity Shares than specified for that category of investors;
- g. Applications at a price other than the Fixed Price of the Issue;
- h. Applications for number of Equity Shares which are not in multiples as stated in the chapter titled “*Issue Structure*”;
- i. Category not ticked;
- j. Multiple Applications as defined in the Prospectus;
- k. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l. Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m. Signature of sole Applicant is missing;
- n. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- o. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s account number;
- p. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q. Applications by OCBs;
- r. Applications by US persons other than in reliance on Regulations or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- s. Applications not duly signed;
- t. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;

- u. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- v. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- w. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- x. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- y. Applications not containing the details of Bank Account and/or Depositories Account.
- z. Applications under the UPI Mechanism submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
- aa. Application submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL AND CDSL

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

- a) a tripartite agreement dated September 12, 2022 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated September 09, 2022 with CDSL, our Company and Registrar to the Issue;
- c) The Company's shares bear an ISIN No:
- d) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- e) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- f) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- g) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- h) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- i) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- j) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- k) The trading of the Equity Shares of our Company would be only in dematerialized form.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form,

name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any Pre-Issue or Post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

S.A. Aanandan Mill Limited Address: 100, Srivilliputhur Road, Padikasuvaithanpatti Village, Mamsapuram, Rajapalayam Virudhunagar, Tamil Nadu 626110, India Tel No: +91 4563 233100 Email: accounts@saaindia.com Website: www.saaindia.com	Cameo Corporate Services Limited Address: “Subramanian Building”, No. 1 Club House Road, Chennai- 600 002 Ten No: 044-40020700 Email: priya@cameoindia.com Website: investor@cameoindia.com Contact Person: Ms. K. Sreepriya (Vice President & Company Secretary) SEBI Registration No.- INR000003753
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Disposal of Applications

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 6 Working Days from the Bid/Offer Closing Date.

IMPERSONATION

Attention of the Applicant is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- ii. 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 shall be liable for action under Section 447”.*

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER

The authorised employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse

of the over subscription ratio (number of applicants in the category x number of Shares applied for).

2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
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 draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of [●] equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in the Draft Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
 - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled '**Basis of Allotment**' of Draft Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified

shall be achieved before our Company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

AT PAR FACILITY

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that “at par” facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

GROUND FOR REFUND

Non-Receipt of Listing Permission

An Issuer makes an Application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchange from where such permission is sought are disclosed in Draft Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by Stock Exchange, the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank / Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within Four days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Draft Prospectus.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

Minimum Number of Allottees

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than fifty (50), failing which the entire application monies may be refunded forthwith.

MODE OF REFUNDS

- a) **In case of ASBA Bids:** Within Four (4) Working Days of the Bid / Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Application, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- b) In the case of Applicant from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.
- c) **In case of Investors:** Within Four (4) Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Applicant ' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Applicant as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the Applicant, DP ID and beneficiary account number provided by them in the Bid cum Application Form,

the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicant's account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the BRLM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and

- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 100% of the Offer, shall be credited only to the bank account from which the Applicant Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Applicants may refer to Draft Prospectus.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum (15% p.a.) if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However, applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 4 Working Days of the Issue Closing Date.

UNDERTAKING BY OUR COMPANY

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds / unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
6. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and

7. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Prospectus with Stock Exchange/ RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;

Utilization of Issue Proceeds

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA.

While the Industrial Policy, 1991 has prescribed 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 the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government of India has from time to time made policy pronouncements on foreign direct investment ("FDI") through press notes and press releases.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI, earlier known as Department of Industrial Policy and Promotion ("DPIIT") has issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

Under the FDI Policy, foreign direct investment, or FDI, in the manufacturing sector is permitted automatic route.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India, has also made a similar amendment to the FEMA Rules. Each Applicant should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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 Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Apply for the Issue do not exceed the applicable limits under applicable laws or regulations.

For further details, see "*Issue Procedure*" beginning on page 249 of this Draft Prospectus.

SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION OF S.A. AANANDAN MILL LIMITED
THE COMPANIES ACT, 2013

Subject to anything to the contrary hereinafter provided and unless the context requires otherwise, the Regulations contained in Table 'F' in the first Schedule to the Companies Act, 2013 (hereinafter referred to as Table 'F') shall apply to the Company.

INTERPRETATION CLAUSE

- I.
- 1) In these regulations
 - (a) 'The Act' means The Companies Act, 2013,
 - (b) 'The seal' means the common seal of the company.
 - (c) "Public company" means a company which is not a private company. Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles;
 - 2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

SHARE CAPITAL AND VARIATION OF RIGHTS

- II. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

2.
 - (i) 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,-
 - (a) One certificate for all his shares without payment of any charges; or
 - (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
 - (ii) The Company agrees to issue certificate within fifteen days of the date of lodgment of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgment for transfer,

Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;

- (iii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
 - (iv) 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.
 - (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of 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.
 - (ii) 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 recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 5.
 - (i) 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.
 - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
 - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- 6.
 - (i) 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.
 - (ii) 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.
- 8A. (i) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:
- a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.
 - b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.
 - c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.
- (ii) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (iii) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.

DEMATERIALIZATION OF SHARES

- 8B. (i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debenture holders/ other securities holders with the details of members/debenture holders/ other securities both in materialized and dematerialized form in any medium as permitted by the Act.

- (ii) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Security.
- (iii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by the Court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.
- (iv) In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.

Provided that in respect of the shares and securities held by the depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act shall apply so far as applicable.
- (v) Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.
- (vi) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act.

LIEN

9. (i) The company shall have a first and paramount lien-
 - a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at fixed time in respect of such shares;

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

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-

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and Demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) 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 installments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16.
 - (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
 - (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17.
 - (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these 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.
 - (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
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.
 - (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
 - (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
20. The Board may, subject to the right of appeal conferred by section 58 decline to register-
 - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - (b) any transfer of shares on which the company has a lien.
 - (c) Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

- (d) The common form of transfer shall be used by the Company.

The Board may decline to recognize any instrument of transfer unless-

- 21.
 - (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 with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

- 23.
 - (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.
 - (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 24.
 - (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-
 - (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the share as the deceased or insolvent member could have made.
 - (ii) 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.
 - (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
 - (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member
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.

FORFEITURE OF SHARES

27. 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.
28. The notice aforesaid shall-
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 30.
- (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
 - (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 31.
- (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
 - (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

34. 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.
35. Subject to the provisions of section 61, the company may, by ordinary resolution,-
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36. Where shares are converted into stock,-
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
- 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.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
 - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.
- 37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,-
 - (a) its share capital;
 - (b) any capital redemption reserve account; or
 - (c) any share premium account.

CAPITALISATION OF PROFITS

- 38. (i) The company in general meeting may, upon the recommendation of the Board, resolve-
 - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-
 - (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
 - (D) 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;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall-
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) Generally, do all acts and things required to give effect thereto.
- (ii) The Board shall have power-
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.
- (iv) Capital paid-up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

BUY-BACK OF SHARES

40. 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

41. All general meetings other than Annual General Meeting shall be called Extraordinary General Meeting.
42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

ADJOURNMENT OF MEETING

47. (i) 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.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in 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

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,-
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. 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.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. 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
54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

55. 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.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
57. 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

58. The name of First Directors of the Company are: -
1. Mr. S.A. ANANDAN
 2. Mr. A. ARUNMOZHI
 3. Mr. A. ILAVARASU
 4. Mrs. A UNNAMALAI AMMAL
59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) 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-
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
 - (b) in connection with the business of the company.
60. The Board may pay all expenses incurred in getting up and registering the company.
61. 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.
62. 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.
63. 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.
64. (i) 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.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

PROCEEDINGS OF THE BOARD

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. 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.
68. (i) The Board may elect a chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the 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.
69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. (i) A committee may elect a chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72. 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.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

74. Subject to the provisions of the Act,

- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
 - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
- 75. A provision of the Act or these regulations requiring or authorising 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

- 76.
 - (i) The Board shall provide for the safe custody of the seal.
 - (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized 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 RESERVES

- 77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 78. 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.
- 79.
 - (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for 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, think fit.
 - (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 80.
 - (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so

long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
 - (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly
81. 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.
82. (i) 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.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83. 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.
84. 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.
85. No dividend shall bear interest against the company.
- Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law

ACCOUNTS

86. (i) 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.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder-
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
 - (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

88. 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.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be filed with the RoC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located 100, Srivilliputhur Road, Padikasuvaithanpatti Village, Mamsapuram, Rajapalayam, Virudhunagar, Tamil Nadu- 626110, India, between 9.00 a.m. to 5 p.m. on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

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

A) Material contracts for the Issue

1. Issue Agreement dated December 29, 2022 between our Company and the Lead Manager.
2. Registrar Agreement dated December 22, 2022 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated [●], 2022 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated [●], 2022 amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [●], 2022 amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated September 09, 2022 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue
7. Tripartite agreement dated September 12, 2022 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

B) 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 October 01, 2022 in relation to the Issue and other related matters.
3. Shareholders' resolution dated December 12, 2022 in relation to the Issue and other related matters.
4. Consents of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory and Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Legal Chapters, the Registrar to the Issue, Underwriter to the Issue, Bankers to our Company, Market Maker and Banker to the Issue to include their names in this Draft Prospectus and to act in their respective capacities.
5. Peer Review Auditors Report dated November 07, 2022 on Restated Financial Statements of our Company for the period ended July 31, 2022 and financial years ended March 31, 2022, 2021 and 2020.

6. The Report dated November 07, 2022 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 Prospectus.
7. Copy of approval from National Stock Exchange of India Limited vide letter dated [●] to use the name of NSE Limited in this offer document for listing of Equity Shares on EMERGE Platform of National Stock Exchange of India Limited.
8. Due diligence certificate shall be submitted to SEBI by Lead Manager to the Issue.
9. Quotation dated December 29, 2022 from M/s Arkie Atelier Design India Private Limited, Civil Engineering Contractors.

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

DECLARATION

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

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

NAME OF DIRECTOR AND DIN	DESIGNATION	SIGNATURE
Anandan Ilavarasu DIN: 02443124	Chairman & Managing Director	SD/-
Sudha Ilavarasu DIN: 01816949	Joint Managing Director	SD/-
Chandrashekhar Guruswamy Aiyar DIN: 00585621	Non-Executive Independent Director	SD/-
Sathish Kumar A S DIN: 05019675	Non-Executive Independent Director	SD/-
Chandrasekaran Rajasekaran DIN: 09740318	Non-Executive Director	SD/-

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY OF OUR COMPANY

Reet Phulwani	SD/-
Paulsamy Govindaraj	SD/-

Date: January 03, 2023

Place: Rajapalayam