



REX SEALING AND PACKING INDUSTRIES LIMITED

Corporate Identity Number is U28129MH2005PLC155252.

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
A-207, 2nd Floor, Plot No.711 A, Byculla Services Industries, D K Road, Ghodapdeo, Byculla (East) Mumbai - 400027	Saloni Patwa <i>Company Secretary and Compliance Officer.</i>	Email: compliance@rexseal.com Telephone: +91 - 22 - 40021599	www.rexseal.com
THE PROMOTERS OF OUR COMPANY			
Naresh Nayak, Niranjan Nayak And Manjunath Nayak			
DETAILS OF ISSUE			
<p>INITIAL PUBLIC ISSUE OF UPTO 6,00,000 EQUITY SHARES OF ₹10 EACH (“EQUITY SHARES”) OF REX SEALING AND PACKING INDUSTRIES LIMITED (“RSPIL” OR THE “COMPANY”) FOR CASH AT A PRICE OF ₹ [●] PER SHARE (THE “ISSUE PRICE”), AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), CONSISTING OF FRESH ISSUE OF UPTO 3,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS AND AN OFFER FOR SALE OF UPTO 3,00,000 EQUITY SHARES COMPRISING OF UPTO 1,00,000 EQUITY SHARES BY NARESH NAYAK, 1,00,000 EQUITY SHARES BY NIRANJAN NAYAK AND UPTO 1,00,000 EQUITY SHARES BY MANJUNATH NAYAK (“THE PROMOTER SELLING SHAREHOLDERS” OR “THE SELLING SHAREHOLDERS”) AGGREGATING TO ₹ [●] LAKHS (“OFFER FOR SALE”)</p>			
RISK IN RELATION TO THE FIRST ISSUE			
<p>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 the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis of Issue Price” beginning on page no. 62 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.</p>			
GENERAL RISK			
<p>Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page no20 of this Draft Prospectus.</p>			
COMPANY’S ABSOLUTE RESPONSIBILITY			
<p>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.</p>			
LISTING			
<p>The Equity Shares issued through this Draft Prospectus are proposed to be listed on SME Platform of BSE Limited (“BSE”). Our Company has received an In-Principle Approval letter dated [●] from BSE Limited for using its name in this Offer Document for listing our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).</p>			
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
 ARYAMAN FINANCIAL SERVICES LTD			
ARYAMAN FINANCIAL SERVICES LIMITED 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001. Tel: +91 – 22 – 6216 6999 Email: ipo@afsl.co.in Website: www.afsl.co.in Investor Grievance Email: feedback@afsl.co.in Contact Person: Vatsal Ganatra SEBI Registration No.: INM000011344		BIGSHARE SERVICES PRIVATE LIMITED Office No S6-2, 6 th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093 Tel. No.: +91 22 6263 8200 Email: ipo@bigshareonline.com Website: www.bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Contact Person: Aniket Chindarkar SEBI Registration No.: INR000001385	
ISSUE OPENS ON		ISSUE CLOSES ON	
[●]		[●]	



REX SEALING AND PACKING INDUSTRIES LIMITED

Our Company was incorporated as Rex Sealing and Packing Industries Private Limited on August 10, 2005 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing Registration number 155252. The status of the Company was changed to Public limited and the name of our Company was changed to Rex Sealing and Packaging Industries Limited vide Special Resolution dated April 07, 2022. The fresh certificate of incorporation consequent to conversion was issued on August 01, 2022 by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U28129MH2005PLC155252. For further details, please refer to the chapter “History and Certain Corporate Matters” beginning on page no. 91 of this Draft Prospectus.

Registered Office: A-207, 2nd Floor, Plot No.711 A, Byculla Services Industries, D K Road, Ghodapdeo, Byculla (East) Mumbai - 400027.

Tel No.: +91 - 22 - 40021599; **Email:** compliance@rexseal.com; **Website:** www.rexseal.com

Contact Person: Saloni Patwa, Company Secretary and Compliance Officer.

Our Promoters: Naresh Nayak, Niranjn Nayak and Manjunath Nayak

THE ISSUE

INITIAL PUBLIC ISSUE OF UPTO 6,00,000 EQUITY SHARES OF ₹10 EACH (“EQUITY SHARES”) OF REX SEALING AND PACKING INDUSTRIES LIMITED (“RSPIL” OR THE “COMPANY”) FOR CASH AT A PRICE OF ₹ [●] PER SHARE (THE “ISSUE PRICE”), AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), CONSISTING OF FRESH ISSUE OF UPTO 3,00,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS AND AN OFFER FOR SALE OF UPTO 3,00,000 EQUITY SHARES COMPRISING OF UPTO 1,00,000 EQUITY SHARES BY NARESH NAYAK, 1,00,000 EQUITY SHARES BY NIRANJAN NAYAK AND UPTO 1,00,000 EQUITY SHARES BY MANJUNATH NAYAK (“THE PROMOTER SELLING SHAREHOLDERS” OR “THE SELLING SHAREHOLDERS”) AGGREGATING TO ₹ [●] LAKHS (“OFFER FOR SALE”) OF WHICH UPTO 33,600 EQUITY SHARES OF ₹ 10 EACH 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 UPTO 5,66,400 EQUITY SHARES OF ₹10 EACH IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.02% AND 25.51 %, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹10 AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE

In terms of Rule 19(2) (b) (i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations 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. For further details please refer the section titled “Issue Information” beginning on page no. 167 of this Prospectus.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page no.176 of this Draft Prospectus. A copy will be filed with the Registrar of Companies as required under 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 Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis for Issue Price” beginning on page no. 62 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

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page no. 20 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 issued through this Draft Prospectus are proposed to be listed on SME Platform of BSE Limited (“BSE”). Our Company has received an In-Principle Approval letter dated [●] from BSE Limited for using its name in this Offer Document for listing our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



ARYAMAN FINANCIAL SERVICES LIMITED
60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg
Fort, Mumbai – 400 001
Tel No.: +91 22 6216 6999
Email: ipo@afsl.co.in
Website: www.afsl.co.in
Investor Grievance Email: feedback@afsl.co.in
Contact Person: Vatsal Ganatra
SEBI Registration No. INM000011344

BIGSHARE SERVICES PRIVATE LIMITED
Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East) Mumbai – 400093
Tel. No.: +91 22 6263 8200
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Contact Person: Aniket Chindarkar
SEBI Registration No.: INR000001385

ISSUE OPENS ON

ISSUE CLOSES ON

[●]

[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.

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 the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

General Terms

Term	Description
The Company / our Company / The Issuer	A-207, 2nd Floor, Plot No.711 A, Byculla Services Industries, D K Road, Ghodapdeo, Byculla (East) Mumbai-400027
“we”, “us” or “our”	Unless the context otherwise indicates or implies, our Company (including the Erstwhile LLP) together with its Subsidiaries, on a consolidated basis.

Company related Terms

Term	Description
AoA/ Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted on August 08, 2022 as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013
Auditors/Statutory Auditors	RMJ & Associates LLP, Chartered Accountants, being the current Statutory Auditors of our Company.
Board of Directors / Board	The Board of Directors of Rex Sealing and Packaging Industries Limited, including all duly constituted Committees thereof.
Chief Financial Officer	Chief financial officer of our Company is Niranjana Nayak
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Saloni Patwa
Director(s)	Director(s) of Rex Sealing and Packaging Industries Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term “Group Companies” includes companies (other than our Promoter) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and any other companies as considered material by our Board, in accordance with the Materiality Policy, as described in “Our Group Companies” on page no. 112 of this Draft Prospectus.
Independent Director(s)	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
ISIN	International Securities Identification Number. In this case being INE0MFT01014.
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “Our Management” on page no 95 of this Draft Prospectus.
Materiality Policy	Policy adopted by our Company, in its Board meeting held on August 08, 2022 for identification of group companies, material creditors and material litigations.
MOA / Memorandum / Memorandum of	The memorandum of association of our Company, as amended from time to time

Term	Description
Association	
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, constituted on August 08, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “Our Management” on page no. 95 of this Draft Prospectus
Promoter(s) / Core Promoter	Niranjn Nayak Naresh Nayak Manjunath Nayak
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “Our Promoters and Promoter Group” on page no. 107 of this Draft Prospectus
Registered Office	The Registered Office of our Company situated at A-207, 2nd Floor, Plot No.711 A, Byculla Services Industries, D K Road, Ghodapdeo, Byculla (East) Mumbai 400027.
Registrar of Companies / RoC	Registrar of Companies, Mumbai at Maharashtra situated at 100, Everest, Marine Drive, Mumbai 400 002.
Restated Financial Statements	The financial information of the Company which comprises of the restated statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020 and the restated statement of profit and loss and the restated cash flow statement for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the related notes, schedules and annexures thereto included in this Draft Prospectus, which have been prepared in accordance with Section 133 of the Companies Act, 2013, and restated in accordance with the SEBI ICDR Regulations.
Selling Shareholders/ Promoter Selling Shareholders	Naresh Nayak Niranjn Nayak Manjunath Nayak
Stakeholders’ Relationship Committee	The stakeholder’s relationship committee of our Company, constituted on August 08, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “Our Management” on page no. 95 on this Draft Prospectus
wilful defaulter or a fraudulent borrower(s)	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

Issue Related Term

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to the successful Applicants
Allotment Advice	A note or advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottees	The successful applicant(s) to whom the Equity Shares are being / have been allotted.
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus.
Application Amount	The amount at which the prospective investors shall apply 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 ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIIs using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by RIIs using UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA Applicants, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Application Amount mentioned in the relevant ASBA Form and includes the account of an RIIs which is blocked upon acceptance of a UPI Mandate Request made by the RIIs using the UPI Mechanism.

Term	Description
ASBA Applicant(s)	Any prospective investors in the Issue who intend to submit the Application through the ASBA process.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus.
ASBA Form/ Application Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus.
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “General Information” on page no 40 of this Draft Prospectus.
Banker(s) to the Issue	Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be, which are Clearing Members and registered with SEBI as Banker to the Issue with whom the Escrow Agreement is entered and in this case being [●].
Banker(s) to the Issue Agreement	The agreement dated [●] entered into amongst our Company, the Selling Shareholders the Registrar to the Issue, the LM, and Banker(s) to the Issue in accordance with the UPI Circulars, transfer of funds to the Public Issue Account(s) and where applicable remitting refunds, if any, to Applicants, on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “Issue Procedure” beginning on page no 176 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms (in case of RIIs only ASBA Forms under UPI) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and the UPI Circulars issued by SEBI as per the list available on the websites of Stock Exchange.
Collecting Registrar and Share Transfer Agents / CRTAs	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 and the UPI Circulars issued by SEBI
Controlling Branches	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Collection Centres	Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on

Term	Description
	the website of the Stock Exchange.
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) 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, and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
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 Locations	RTA Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated Branches	SCSB Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	BSE Limited (“BSE”)
Draft Prospectus	This Draft Prospectus dated September 19, 2022 issued in accordance with the SEBI ICDR Regulations.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
First or Sole Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Applicants, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Foreign Institutional Investors/ FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
Fresh Issue	Fresh Issue of upto 6,00,000 Equity Shares of face value ₹ 10 each for cash at a price of ₹ [●] per Equity Shares aggregating ₹ [●] lakhs by our Company
Fresh Issue Proceeds	The proceeds of the Fresh Issue as stipulated by the Company. For further information about use of the Fresh Issue Proceeds please see the chapter titled “Objects of the Issue” beginning on page no. 57 of this Draft Prospectus
Fugitive Economic Offender	Economic An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018

Term	Description
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchange and the LM.
Issue	The Initial Public Issue of up 6,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including securities premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs consisting of a Fresh Issue and an Offer for Sale.
Issue Agreement	The agreement dated September 12, 2022 entered amongst our Company, the Selling Shareholders 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 being [●]
Issue Opening date	The date on which the Issue opens for subscription being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications, including any revisions thereof
Issue Price	The price at which the Equity Shares are being issued by our Company and the Selling Shareholders in consultation with the Lead Manager being ₹ [●] per share.
Issue Proceeds	Proceeds to be raised by our Company and the Selling Shareholders through this Issue. For further information about use of the Issue Proceeds, see “Objects of the Issue” on page no. 57 of this Draft Prospectus.
Issue Size	The Public Issue upto 6,00,000 of Equity shares of Rs. 10 each at price of ₹ [●] per Equity share, aggregating to ₹ [●] lakhs by our Company.
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and National Stock Exchange of India Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker	In our case being Aryaman Capital Markets Limited
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [●].
Market Maker Reservation Portion	The Reserved portion of upto 33,600 Equity shares of ₹ 10 each at an Issue Price of ₹ [●] per share aggregating to ₹ [●] lakhs for Designated Market Maker in the Public Issue of our Company.
Minimum Promoters' Contribution	Aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters' of 20% and locked-in for a period of three years from the date of Allotment.
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Issue	The Net Issue of upto 5,66,400 Equity Shares of ₹ 10 each at price of ₹ [●] per Equity Shares aggregating to ₹ [●] lakhs by our Company and the Selling Shareholders.
Net Proceeds	Proceeds of the Issue that will be available to our Company, i.e. gross proceeds of the Fresh Issue, less Issue expenses to the extent applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Issue expenses, see “Objects of the Issue” beginning on page no. 57 of this Draft Prospectus.
Non-Institutional Applicant/ NIIs	All Applicants including FPIs that are not Qualified Institutional Buyers or Retail Individual Applicants and who have Applied for Equity Shares for a cumulative amount more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs).
Non Resident or NRI	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI

Term	Description
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Offer for Sale/OFS	The offer for sale of upto 3,00,000 Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] lakhs by the Selling Shareholders
Peer Reviewed Auditors	The Peer Review Auditors of our company is B.B.
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.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and Closing date and other information.
Public Issue Account	A bank account opened with Bankers to the Issue under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Bank	A bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made.
Refund Bank(s)	The bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Refund Account will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI.
Registrar Agreement	The agreement dated September 12, 2022 among our Company, the Selling Shareholders and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar / Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
Retail Individual Investors / RII(s)	Individual Applicants, who have Application for the Equity Shares for an amount not more than ₹ 2,00,000 in any of the applying options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period or withdraw their Applications until Issue Closing Date.

Term	Description
Self-Certified Syndicate Bank(s) / SCSBs	<p>The banks registered with SEBI, which offer services, (i) in relation to ASBA, where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIIs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.</p> <p>Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website. The said list shall be updated on the SEBI website.</p>
Share Escrow Agent	Share Escrow agent appointed pursuant to the Share Escrow Agreement, being [●].
Share Escrow Agreement	Agreement dated [●] entered into between our Company, the Selling Shareholders, the Share Escrow Agent and the Lead Manager in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
Sponsor Bank	[●], being the 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.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	The underwriters in this case are [●]
Underwriting Agreement	The Agreement among our Company, the Selling Shareholders and the Underwriters dated [●].
“Unified Payments Interface” or “UPI”	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI mechanism	The Application mechanism that may be used by an RII to make an Application in the Issue in accordance the UPI Circulars to make an ASBA Applicant in the Issue
UPI PIN	Password to authenticate UPI transaction.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.

Term	Description
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Issue Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars.

Technical / Industry related Terms

Term	Description
ASEAN	Association of Southeast Asian Nations
ASME	American Standard Soc of Mechanical Engineers
ASTM	American Standard
BS	British Standard
CAGR	Compound Annual Growth Rate
COVID-19	Coronavirus disease 2019
CPI	Consumer Price Index
DIN	Deutsches Institut für Normung
DPIIT	Department for Promotion of Industry and Internal Trade
FDI	Foreign Direct Investment
FPIs	Foreign Portfolio Investors
GCC	Gulf Co-operation Council
GDP	Gross Domestic Product
GST	Goods and Services Tax
IBEF	India Brand Equity Foundation
IIP	India's Index of Industrial Production
IMF	International Monetary Fund
ISO	International Organization for Standardization
KW	Kilo Watt
MIDC	Maharashtra Industrial Development Corporation
MSME	Micro Small and Medium Enterprise
PMI	Purchasing Managers' Index
PTFE	Polytetrafluoroethylene Foil
QA	Quality Assurance
QC	Quality Check
R&D	Research and Development
SSI	Small Scale Industry
UAE	United Arab Emirates
USD	United States Dollar

Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited

Term	Description
CAGR	Compound Annual Growth Rate
Category I Alternate Investment Fund / Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations.
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations.
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Alternate Investment Fund / Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations.
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIBIL	Credit Information Bureau (India) Limited
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant’s beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
CSR	Corporate Social Responsibility
CST	Central Sales Tax
CY	Calendar Year
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant’s identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India

Term	Description
GST	Goods & Services Tax
HNI	High Networth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
IPO	Initial Public Offering
ISIN	International Securities Identification Number
KM / Km / km	Kilo Meter
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations,

Term	Description
	1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.



CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in “lakhs” units. One represents 1,00,000.

Financial Data

Unless stated otherwise, the financial information in this Draft Prospectus is derived from our Restated Financial Statements. The Restated Financial Statements included in this Draft Prospectus are for the period ended March 31, 2022 and 2021 and 2020 and have been prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations. For further information, please refer “Financial Information” beginning on page no. 114 of this Draft Prospectus.

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 in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12-month period ended on March 31 of that year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Prospectus are to a calendar year.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on page nos.20, 67 and 139 respectively, of this Draft Prospectus, and elsewhere in this Draft Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

Currency and Units of Presentation

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

This Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate

Definitions

For definitions, please refer the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Draft Prospectus. In the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page no. 195 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government 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 and underlying assumptions are not guaranteed and their reliability cannot be assured.



Further, the extent to which the industry and market data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

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

- 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;
- Uncertainty regarding the Industrial Packaging and sealing industry, economic conditions and other factors beyond our control;
- Inability to identify or effectively respond to consumer needs, expectations or trends in a timely manner;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Volatility of Loan interest rates and inflation;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- 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;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities; and
- Failure to successfully upgrade our products and service portfolio, from time to time.

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 20, 67 and 139 of this Draft Prospectus, respectively.

Neither our Company, our Directors, our Promoter, the Selling Shareholder, the Lead Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising



after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of this Draft Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.



SECTION II – SUMMARY OF OFFER DOCUMENT

A. Summary of Business

Rex Sealing and Packing Industries Limited, is a manufacturer and exporter of Sealing, packing and Insulation products including Jointing Sheets, Fabric Expansion Joints, Gland packing & Ropes, High Temperature resistant textiles etc. Our Company is an ISO 9001 & 14001 Certified company. All our products are manufactured in-house at our manufacturing facilities. We have a dedicated in house Research & Development Laboratory (“R&D”) which undertakes rigorous testing and quality management. Our dedicated R&D team tests the raw materials procured and the products manufactured. We cater to both, the domestic as well as international markets, limited to Gulf and Middle East countries.

B. Summary of Industry

The India industrial gaskets industry is expected to grow at a CAGR of 6% in the forecast period of 2022-2027. The global gaskets and seals market size was estimated at USD 56.93 billion in 2021 and is anticipated to grow at a compound annual growth rate (CAGR) of 4.1% over the forecast period of 2022-2027. The use of advanced materials in manufacturing gaskets and seals for critical applications including aircraft manufacturing, medical equipment, and chemical processing is expected to drive the market growth over the forecast period. The seals product segment is expected to grow at a steady CAGR and the gasket segment is projected to register the fastest CAGR over the forecast period.

C. Our Promoter

Our Company is promoted by Naresh Nayak, Niranjan Nayak and Manjunath Nayak

D. Size of Issue

Issue	Upto 6,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
Consisting of:	
Fresh Issue	Upto 3,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
Offer for Sale	Upto 3,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
Which comprises:	
Issue Reserved for the Market Maker	Upto 33,600 Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs.
Net Issue to Public	Upto 5,66,400 Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs.

E. Object of the Issue

The details of the proceeds of the Fresh Issue are set forth in the table below:

Sr. No.	Particulars	Amount
1	Gross Proceeds of the Fresh Issue	[●]
2	Issue related Expenses ⁽¹⁾	[●]
	Net Proceeds of the Fresh Issue	[●]

⁽¹⁾ Except for the Regulatory related expenses, which will be borne by our Company, all other expenses relating to the Issue as mentioned above will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares contributed to the Issue. The Issue expenses are estimated expenses and subject to change.

F. Pre-Issue Shareholding of our Promoter, Promoter Group as a percentage of the paid-up share capital of the Company

Set forth is the Pre Issue shareholding of our Promoter, Promoter Group as a percentage of the paid-up share capital of the Company



Sr. No.	Category of Promoter	Pre-Issue		Post- Issue	
		No. of Equity Shares	Percentage of pre- issue capital (%)	No. of Equity Shares	Percentage of post- issue capital (%)
1. Promoter					
1	Niranjan Nayak*	4,80,000	25%	3,80,000	17.12%
2	Naresh Nayak*	4,80,000	25%	3,80,000	17.12%
3	Manjunath Nayak*	4,79,970	24.99%	3,79,970	17.11%
2. Promoter Group (as per defined by Reg. 2(1)(pp) of SEBI ICDR Regulations)					
1	Meeta Nayak	4,80,000	25%	4,80,000	21.62%
2	Nivedita Niranjan Nayak	10	Negligible	10	Negligible
3	Kalpana N Nayak	10	Negligible	10	Negligible
Total Promoter & Promoter Group Holding		19,19,990	99.99%	19,19,990	72.97%
Total Paid up Capital		19,20,000	100.00%	22,20,000	100.00%

*Niranjan Nayak, Naresh Nayak and Manjunath Nayak are also the Promoter Selling Shareholders.

G. Summary of Restated Financial Statement

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2022	2021	2020
Share Capital	192.00	32.00	32.00
Net Worth	824.30	769.67	732.87
Total Income	2,115.68	1,726.30	2,017.70
Profit after Tax	13.58	16.28	40.70
Basic & Diluted EPS	2.85	1.92	5.90
Net Asset Value Per Share (₹)-based on actual no. of equity shares at the end of the year	42.93	240.52	229.02
Net Asset Value Per Share (₹)-based on actual no. of equity shares with bonus effect at the end of the year	42.93	40.09	38.17
Total Borrowings	377.71	338.95	437.35

H. The audit reports on the financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, expresses an unmodified qualified opinion and the emphasis of matter, as given below:

Qualified Opinion:

It is not possible for the Company to give disclosures under the broad heads of 'raw material consumption and 'item wise bifurcation of inventory' as per requirement of Schedule III of the Act due to the system constraint and multiple product mix manufactured by the Company.

Emphasis of matter:

The Company had paid Rs. 95.80 Lakhs to Maharashtra Industrial Development Corporation (MIDC) for allotment of plot in Ambernath Industrial Area for which physical possession is yet to be received by the Company. As informed by the management, the Company is making regular follow up with the MIDC for physical possession of plat. Further, we are informed, that the Company has not received any letter from MIDC as to cancellation of said plot from the MIDC.

I. Summary of Outstanding Litigation are as follows

(₹ in lakhs)

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable (in ₹)
I.	Litigations filed against our Company		
(a)	Criminal Matters	-	-

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable (in ₹)
(b)	Direct Tax Liabilities	1	2.35
(c)	Indirect Tax Liabilities	10	100.74
(d)	Other Pending Litigations	-	-
II.	Litigations by our Directors/Promoter/ Group Company		
(a)	Direct Tax Liabilities	-	-

J. Investors should read chapter titled “*Risk Factors*” beginning on page no. 20 of this Draft Prospectus to get a more informed view before making any investment decisions.

K. Summary of contingent liabilities

Summary table of our contingent liabilities as indicated in our Restated Financial Statements and also certified by our statutory auditors is as follows:

(₹ in lakhs)

Particulars	As at March 31,		
	2022	2021	2020
Liability on sales tax payable on non-collection of C – Form from the customers	9.78	9.78	9.78
TDS Default as per Traces of Income Tax, 1961 for AY 2022-23 & Prior years.	2.29	2.15	0.23
VAT and CST Liability as mentioned below	69.52	31.25	17.10
Income Tax Demand as mentioned below	2.35	2.35	
GST Demand as mentioned below	37.57	-	

For further information, please refer “*Annexure V– Note 28 Contingent Liability*” in the chapter titled “*Financial Statements as Restated*” beginning from page no.114 of this Draft Prospectus

L. Summary of Related Party Transactions

Our Company has entered into certain transactions with our related parties including our Promoter, Promoter Group, Directors and their relatives as mentioned below:

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2022	2021	2020
1) Finance			
<u>Loans Taken</u>			
Opening Balance	119.65	130.03	155.75
Loan taken during the year	111.25	51.55	188.01
Interest	11.60	14.68	17.63
Loan repaid during the year	141.03	61.93	213.74
Outstanding at the end of the year	95.26	122.20	130.03
Advance Against Salary	(32.20)	-	-
2) Expense			
Remuneration	219.00	198.00	135.00
Manpower Supply	55.30	37.68	61.83
Rent Payment	-	-	5.94
3) Sales/ Purchase			
Purchase	-	-	-
Sales	-	-	-

M. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoter of our Company, the Directors of our Company and their relatives have financed the purchase by any



other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Prospectus.

- N. The weighted average price of acquisition of Equity Shares by our Promoter in last one year preceding the date of this Draft Prospectus is below:

Name of Promoter	Average price of Acquisition (₹)
Naresh Nayak	NIL
Niranjan Nayak	NIL
Manjunath Nayak	NIL

- O. The average cost of acquisition of Equity Shares by our Promoter is:

Name of Promoter	Average price of Acquisition (₹)
Naresh Nayak	1.67
Niranjan Nayak	1.67
Manjunath Nayak	1.67

- P. 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.
- Q. Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus except as stated under chapter titled “*Capital Structure*” beginning from page 48 of this Draft Prospectus.
- R. Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Prospectus except as stated under chapter titled “*Capital Structure*” beginning from page 48 of this Draft Prospectus.



SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.

This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the Issue, including the merits and risks involved. 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. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Investors should not invest in this Issue unless they are prepared to accept the risk of losing all or part of their investment, and they should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

To obtain a better understanding of our business, you should read this section in conjunction with other chapters of this Draft Prospectus, including the chapters titled “Our Business”, Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Financial Information” on page nos. 67, 139, 67 and 114 respectively of this Draft Prospectus, together with all other financial information contained in this Draft Prospectus. Our actual results could differ materially from those anticipated in these forward looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus.

In this section, unless the context otherwise requires, a reference to the “Company”, “we”, “us” or “our” is a reference to Rex Sealing And Packing Industries Limited. Unless otherwise stated, the financial data in this chapter is derived from our Restated Financial Statements for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 as included in “Financial Information” on page no. 114 of this Draft Prospectus.

INTERNAL RISKS

- 1. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business, many of these approvals are granted for fixed periods of time and need renewal from time to time. Pursuant to conversion of our company in to public limited company, our company is yet to make applications respective authorities for updating all the certificates to reflect its current name. For further details, please see chapter titled “Government and Other Statutory Approvals” on page 154 of this Draft Prospectus. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all.

Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business.

Further, as on date of this Draft Prospectus, our Company has not yet applied for the Fire NOC issued under the Maharashtra Fire Prevention and Life Safety Measures Act, 2006 for the Company’s unit located at Plot No.44, MIDC- Talaja Industrial Area, Palekhurd Panvel, Raigad - 410208 . Our Company may be liable to penalty or fine as provided under the Maharashtra Fire Prevention and Life Safety Measures Act, 2006 .If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could

adversely affect our results of operations. For further details, please see chapters titled “Key Industry Regulations and Policies” and ‘Government Approvals’ at page nos. 84 and 154 respectively of this Draft Prospectus.

2. ***In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.***

As on March 31, 2022, our Company’s total fund based indebtedness is 450 Lakhs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable 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. Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. For details of our indebtedness, please refer to the chapter titled “Financial Indebtedness” on page 148 of this Draft Prospectus.

3. ***Our Company is a party to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company is a party to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Company as on the date of this Draft Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on August 08, 2022.

<i>Sr.No</i>	<i>Particulars</i>	<i>No. of Cases</i>	<i>Assessment Year</i>	<i>Amount in Dispute /Demanded</i>
Direct Tax Liabilities				
1.	Income Tax	1	2014-2015	2.35 Lakhs
Indirect Tax Liabilities				
1.	GST	1	2019-2020	37.49 Lakhs
2.	GST	1	2020-2021	0.08 Lakhs
3.	CST	1	2014-2015	8.28 Lakhs
4.	CST	1	2015-2016	6.23 Lakhs
5.	CST	1	2016-2017	29.11 Lakhs
6.	CST	1	2017-2018	6.49 Lakhs
7.	MVAT	1	2014-2015	4.87 Lakhs
8.	MVAT	1	2015-2016	5.51 Lakhs
9.	MVAT	1	2016-2017	1.97 Lakhs
10.	MVAT	1	2017-2018	0.70 Lakhs

There can be no assurance that these litigations will be decided in our favour and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Company, our Promoters and Directors, please refer the chapter titled “Outstanding Litigations and Material Developments” on page no. 149 of this Draft Prospectus.

4. ***Our Company is dependent on third party transportation for the delivery of raw materials and finished goods and any disruption in their operations could affect our Company’s reputation and results of operations.***

Our Company uses third party transportation for delivery of our raw materials and finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation



strikes may have an adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition, such goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations.

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

5. *Substantial portion of our revenues has been dependent upon few clients. The loss of any one or more of our major clients would have a material effect on our business operations and profitability.*

Our customers include large corporate houses. For the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020, our top ten clients accounted for approximately 65.55%, 65.82% and 52.43% of our revenue from operations. However the loss of any significant client would have a material effect on our financial results. The loss of any significant client would have a material effect on our financial results.

Our business from customers is dependent on our continuing relationship with such customers, the quality of our products and our ability to deliver on their orders, and there can be no assurance that such customers will continue to do business with us in the future on commercially acceptable terms or at all. However, in case of any change in the buying pattern of our end users or disassociation of major customers can adversely affect our business or if our customers do not continue to purchase products from us, or reduce the volume of products purchased from us, our business prospects, results of operations and financial condition may be adversely affected. Further, loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

6. *Our Company does not have long term agreement with suppliers for supply of raw material. Our inability to obtain raw material in a timely manner, in sufficient quantities could adversely affect our operations, financial condition and/or profitability.*

We depend on a number of suppliers within India and abroad, for procurement of raw materials required for manufacturing our products. In Fiscals 2022, 2021 and 2020, our cost of material consumed amounted to 64.41%, 61.31% and 63.65% of our total revenue respectively. We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Inadequate and timely unavailability substandard quality of the raw materials used in the manufacture of our products, could have a material adverse effect our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside. In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected.

7. *Our Company has entered into certain related party transactions in the past and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.*

Our Company has entered into certain transactions with our related parties including our Promoters, Promoter Group, Directors and their relatives. There are various loan taken, Loan Paid, and interest paid transactions too with our Promoters for the period ended March 31, 2022, March 31, 2021 and March 31, 2019. For details, please see "Annexure 28 of Restated Financial Statements" on page 114 of this Draft Prospectus. While we believe that



all such transactions have been conducted on the arm's length basis, we cannot assure you that we might have obtained more favorable terms had such transactions been entered into with unrelated parties. Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate will not have an adverse effect on our business, results of operations, cash flows and financial condition.

8. *Our continued operations are critical to our business and any shutdown of our manufacturing unit may adversely affect our business, results of operations and financial condition.*

Our manufacturing unit is located at Taloja, Maharashtra. As a result, any local social unrest, natural disaster or breakdown of services and utilities in these areas could have material adverse effect on the business, financial position and results of our operations. Our current and proposed manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event, we are forced to shut down our manufacturing unit for a prolonged period; it would adversely affect our earnings, our results of operations and financial condition as a whole.

In addition to the above if our manufacturing unit suffer losses as a result of any industrial accident, we may be forced to shut down our manufacturing unit which could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. Further, any contravention of or non-compliance with the terms of various regulatory approvals applicable to our manufacturing unit may also require us to cease or limit production until such noncompliance is remedied to the satisfaction of relevant regulatory authorities. We cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labor involved in our manufacturing unit, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business, prospects, financial condition, cash flows and results of operations.

9. *Our Statutory Auditor has provided audit qualifications as stated in Restated Financial Statements.*

Our Statutory auditor has provided qualifications in the Financial Statements for Financial Years ended on March 31, 2022, March 31, 2021 and March 31, 2020, relating to disclosures under the heads of 'raw material consumption and 'item wise bifurcation of inventory' as per requirement of Schedule III of the Act. The opinion of our auditors is unmodified in respect of these matters and while these emphasis of matters do not require any adjustments to the Restated Financial Information, there is no assurance that our audit reports for any future fiscal periods will not contain qualifications, adverse remarks, matters of emphasis or other observations which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected. For further information, see "*Financial Information*" on page 114 of this Draft Prospectus.

10. *The Restated Consolidated Financial Statements have been provided by a peer review Chartered Accountants who is not statutory auditor of the Company.*

The restated financial statements of our Company for the financial year ended March 31 2022, 2021 and 2020 has been provided by a peer reviewed chartered accountants who is not statutory auditor of our Company.

11. *Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends on our key managerial personnel and our ability to attract and retain them. Any loss of our key person could adversely affect our business, operations and financial condition.*

The success of our business operations is attributable to our Promoters, Directors and the technical team. We believe that our relation with our Promoters, who have rich experience in markets, managing customers and handling overall businesses, has enabled us to experience growth and profitability. Our Promoters have been actively involved in the day-to-day operations and management since the incorporation of the Company.

We also depend significantly on the expertise, experience and continued efforts of our technical and servicing team, hence, our performance and success substantially depends on the ability to attract and retain our key employees, including our management team and experienced personnel. There can be no assurance that any member of our senior management or other experienced personnel will not leave us in the future. The lack of or



loss of the services of such key persons in the organization could seriously impair our ability to continue to manage and expand our business. Our success is also dependent on our continuous ability to identify, hire, train retain and motivate R&D team, technical team and sales and marketing personnel.. If we fail to hire and retain our employees, the loss of their services could harm our business operations and financial condition could be adversely affected.

- 12. *Our Company has availed unsecured loan from our Directors / Related Parties which is repayable on demand. Any demand from the lender for repayment of such unsecured loan may affect our cash flow and financial condition.***

Our Company, as per the restated audited financial statement as on March 31, 2022 has availed unsecured loans of Rs. 89.86 lakhs at an interest rate of 12% p.a. which are repayable on demand. Sudden recall may disrupt our operations and also may force us to opt for high interest bearing funding, resulting in financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer to the section “Unsecured Loans” under “Financial Statements” beginning on page no. 114 of this Draft Prospectus. Any demand for the repayment of such unsecured loans, may adversely affect our cash flow and financial condition

- 13. *In addition to normal remuneration, other benefits and reimbursement of expenses of our Directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors/ Promoter or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Promoter and will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

- 14. *We do not own certain premises used by our Company. Disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would adversely impact our manufacturing operations and, consequently, our business.***

As on the date of this Draft Prospectus, our manufacturing units situated at Taloja (Maharashtra) have been taken on lease by our Company from third parties. For details, please refer to the chapter titled “Our Business- Land and Property” on page 72 of this Draft Prospectus.

There can also be no assurance that our Company will be able to renew the lease agreements or deeds entered into with third parties in a timely manner or at all. Further, there can be no assurance that we will not face any disruption of our rights as a lessee/ licensee and that such leave and license and lease agreements will not be terminated prematurely by the licensor/ lessor. Any such non-renewal or early termination or any disruption of our rights as lessee/ licensee will adversely affect our business operations.

- 15. *Our Promoter Group is engaged in the same line of business activities as those undertaken by our Company, which may result in conflict of interests.***

M/s Rex Industries, our Promoter Group, is in the same line of business as our Company and caters to unorganized players in the markets. Further, their area of operation and sales may overlap with ours .We have not executed any non - compete agreement between our Company and Promoter Group. There can be no assurance that there will not be any conflict between our Company and M/s Rex Industries and we cannot undertake that we will be able to suitably resolve such a conflict without an adverse effect on our business.

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

Our business requires significant amount of working capital. Major Portion of our working capital is utilized towards debtors and inventory. We have been sanctioned working capital of Rs. 450 lakhs from the existing bankers. Further, we are also required to meet the increasing demand and for achieving the same, adequate stocks, are required to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

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. 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 make provisions for bad debts, including those arising from such defaults based primarily age of the debt and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debts 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 risk and liability claims. All these factors, could have a significant effect on our profitability and cash flows and accordingly an increase in working capital requirements may have an adverse effect on our financial condition and results of operations.

- 17. We have certain contingent liabilities, which may adversely affect our financial condition.**

The following table sets forth certain information relating to our contingent liabilities:

(₹ In Lakhs)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Liability on Sales Tax payable on non collection of C- Form the customers	9.78	9.78	9.78
TDS default as per Traces of Income Tax Act, 1961 for AY 22-23 & Prior Years	2.29	2.15	0.23
VAT and CST Liability as mentioned below	69.52	31.25	17.10
Income Tax Demand as mentioned below	2.35	2.35	-
GST demand as mentioned below	37.57	-	-

In the event that any of these contingent liabilities materialize, our business prospects, financial conditions and results of operations may be adversely affected. For further information on such contingent liabilities, see chapter titled "Restated Financial Statements" on page 114 of this Draft Prospectus.

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

Our manufacturing process requires substantial amount of power facilities. The quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involve significant capital expenditure and per unit cost of electricity produced is very high. Any disruption / non availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

- 19. Any non-availability of technical, skilled, semi-skilled and un-skilled manpower and / or increased employee costs could negatively affect our ability to operate efficiently and result in disruptions to our manufacturing operations.**

Our operations are dependent on access to a large pool of technical, skilled, semi-skilled and un-skilled manpower. Our dependence on such technical, skilled, semi-skilled and un-skilled manpower may result in significant risks for our operations, relating to the availability of such manpower. There can be no assurance that we will have adequate access to the required manpower at reasonable rates, as and when required, or at all. As a result, we may be required to incur additional costs to ensure smooth running of our operations. The labour cost in India has been increasing over the past years due to increasing competition for quality employees among manufacturing companies as well as growth in inflation and general wage increases. For the year, ended March 31, 2022, March 31, 2021 and March 31, 2020, our employees benefit expenses as per our Restated Financials, amounted to ₹378.17 Lakhs, ₹ 313.29 Lakhs and ₹ 277.31 Lakhs respectively, which is 17.99%, 18.70% and 14.88% of the total expenses of that respective year. We cannot assure that these or future agreements may not significantly result in increased employee costs and that we will be able to pass on the increased costs to our customers, partially or at all. Our inability to pass the increased costs may impact our profitability and future growth prospectus. Additionally our operations may be adversely affected by circumstances beyond our control such as work stoppages, labour disputes and shortage of qualified skilled labour or lack of availability of adequate infrastructure. We cannot assure you that manpower, whether hired through contractors or directly, will continue to be available at reasonable wages in the areas where our manufacturing units are located.

20. *Industrial accidents at our manufacturing facility may adversely affect our operation.*

Our manufacturing facilities are subject to operating risk resulting in fatal accidents which can cause injury to the labour and employees of the company and this could also cause damage to the property and plant and machinery situated at the factory which could have an adverse effect on our operations. Though, we have taken adequate safety measures in order to avoid such mishaps, but in case of any such happening of the event out of our control, we cannot assure you whether it will be sufficient or not. Further occurrence of such accidents could impact our production schedules, costs, revenue and ability to meet customer demand.

21. *We may not be able to develop manufacturing units and other facilities in desirable locations that are suitable for our expansion at commercially reasonable prices and our expansion plans may be delayed or affected by various factors.*

In 2014, we have been allocated an industrial plot by Maharashtra Industrial Development Corporation (Thane Region) for developing a manufacturing unit and other facilities. However, we are yet to get the actual possession of the plot. Our ability to develop manufacturing units depends upon a variety of factors that are beyond our control such as overall economic conditions, infrastructure support, uninterrupted power, access to material road networks etc. may command a premium, which may exceed our budget. The expansion of our manufacturing units may be adversely affected by certain other factors, including but not limited to; inability to obtain all necessary regulatory licenses, permits, approvals and authorizations, significant pre- operating costs or capital improvements, work stoppages, strikes or accidents and inability to invest in equipments, manpower that are suitable for our expansion at commercially reasonable prices.

To the extent that we are unable to develop our manufacturing units within the anticipated time frame or at commercially acceptable prices, our business, financial condition, results of operations and prospects may be materially and adversely affected.

22. *We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.*

Any failure or defect in our products could result in a claim against us for damages or may lead to recalling of our products regardless of our responsibility for such a failure or defect. However, our Company is well equipped with in-house testing laboratory to test the products. Our finished product has to undergo a strict quality check to ensure that they are of relevant quality as per the standards set. Our in house testing laboratory regulates and monitors the quality and ensures that the same is as per the required standards. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, or any other unforeseen events could affect our reputation and our results from operations.

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

The installed capacity at our manufacturing unit is not fully utilized. The underutilization of the available capacity can affect our capacity to fully absorb fixed cost and thus may impact our manufacturing efficiency. The underutilization of installed capacity in future may affect profitability due to increase in per unit fixed cost of production. For further details of installed capacity and utilization, please refer to chapter titled “*Our Business*” beginning on page 72 of this Draft Prospectus.

24. *Our Lenders have charge over our movable/immovable properties in respect of finance availed by us*

Our Company has taken secured loans from public financial institutions by creating a charge over our movable and immovable properties in respect of loans/facilities availed by us. The total amount outstanding and payable by us for secured loans were 287.85 Lakhs as of March 31, 2022. In the event, we default in repayment of loans/facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have an adverse effect on our business, financial condition and results of operations. For further details, please refer to chapter titled “*Financial Indebtedness*” on page 148 of this Draft Prospectus.

25. *Our financing agreements contain covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.*

As of March 31, 2022, our total outstanding indebtedness was 377.71 lakhs, out of which 287.85 lakhs were loans availed from Financial Institutions and 89.86 lakhs loans availed from Directors and Promoters. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our businesses. Further, our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition.

We are required to obtain prior approval from our lenders for, among other things:

- Effect any change in capital structure;
- Implement any scheme of expansion/modernization/diversification/renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by the Bank.
- Formulate any scheme of amalgamation or reconstruction.
- Enter into borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company or person.

We are required to obtain the required consents of the lenders under our financing agreements before undertaking these significant corporate actions. We cannot assure you that the lenders will grant the required approvals in a timely manner, or at all. The time required to secure consents may hinder us from taking advantage of a dynamic market environment. In addition to the restrictions listed above, we are required to maintain certain financial ratios under our financing agreements. These financial ratios and the restrictive provisions could limit our flexibility to engage in certain business transactions or activities.

Further, if we are forced to issue additional equity to the lenders, ownership interest of the existing shareholders in our Company will be diluted. It is also possible that future financing agreements may contain similar or more onerous covenants and may also result in higher interest cost. If any of these events were to occur, our business, results of operations and financial condition may be adversely affected.

26. *We may face labour disruptions that could interfere with our operations.*

We are exposed to the risk of strikes and other industrial actions. Although we believe that we have good relations with our employees presently, there can be no assurance that our employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labor disruptions may adversely affect our operations by delaying or slowing down our manufacturing, increasing our manufacturing cost or even halting a portion of our manufacturing. This may also cause failure in delivering sales commitments, hurt our relationships with customers and disrupt our supply chain, further affecting our revenue and margins. If there is any prolonged disruption or shutdown of operations at our manufacturing facilities, we may not be able to replace the equipment or inventories, or use different facilities to continue our operations in a timely and cost effective manner or at all. We may not be able to recover from damages or interruptions caused to our manufacturing facilities in a timely manner or at all. The occurrence of any such event could result in the temporary or long-term closure of any of our



manufacturing facilities, severely disrupt our business operations and materially and adversely affect our business, results of operations, financial condition and cash flows.

- 27. *Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Issue will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the funding plan has not been appraised by any bank or financial institution and is not subject to any monitoring by any independent agency. Our Company's management will have flexibility in utilizing the Net Proceeds from the Issue. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.***

Our Company intends to use the Net Proceeds from the Fresh Issue for the purposes described in “*Objects of the Issue*” on page 57 of this Draft Prospectus. In terms of Regulation 262 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹ 10,000 lakhs. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. The funding plans are in accordance with our own estimates and have not been appraised by any bank, financial institution or any other external agency. Our Company may have to revise its management estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section may limit or delay our Company's efforts to use the Net Proceeds from the Issue to achieve profitable growth in its business. Our Board will have significant flexibility in temporarily investing the Net Proceeds of the Issue. Accordingly, the use of the Net Proceeds for purposes identified by our management may not result in actual growth of its business, increased profitability or an increase in the value of your investment.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in the SEBI ICDR Regulations. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI. Accordingly, prospective investors in this Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

- 28. *Any delay or defaults in receipt of payments or dues from our customers could result in a reduction of our profits.***

We regularly commit resources prior to receiving payments from our customer. We may be subject to working capital shortages due to delays or defaults in receipt of payments or dues from such customers. If our customers default in their payments or if any order/ assignment in which we have invested significant resources is delayed, cancelled or curtailed, it could have a material adverse effect on our business, financial condition and results of operations.

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

After the completion of this IPO, our Promoters and Promoter Group will beneficially own approximately 72.97 % of our post-Issue equity share capital. As a result, the Promoter and Promoter Group may have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoter Group continues to exercise significant control over the Company, they may influence the material



policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter Group may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders do not agree.

30. *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/ schedule of implementation 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 as has been stated in the Chapter “*Objects of the Issue*” on page 57 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 business strategies, development and other plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

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

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

32. *The outbreak of COVID-19 or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.*

An outbreak of a novel strain of coronavirus (COVID-19) was recognized by the World Health Organization as a public health emergency of international concern on January 30, 2020, and as a pandemic on March 11, 2020. The outbreak of COVID-19 has significantly and adversely impacted and will likely continue to impact economic activity and has contributed to significant volatility in global financial markets and led to operational challenges. It is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, stagnation, recession or depression, despite monetary and fiscal interventions by governments and central banks globally. In particular, a number of governments and organizations have revised GDP growth forecasts for 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as issuing advisories and imposing country or state wide lockdowns, including restrictions on travel and temporary closure of business operations and increased remote working protocols, which have significantly slowed down economic activity. On March 14, 2020, India declared COVID-19 as a —notified disasterl and imposed a nationwide lockdown announced on March 24, 2020. However, with reference to Government notification no. *DMU/2020/CR.92/DisM-1 dated: 2nd May 2020*, we had applied for Self certification/Permission for commissioning of our factory under the lock in condition as per the guidelines mentioned in the above notification as we were engaged in the manufacturing of products that were being supplied to essential industries such as Pharmaceuticals, Oil and Gas Industries etc and hence our operations were not shut down during the pandemic. While there have been progressive relaxations and calibrated easing of lockdown measures by the Government, we cannot predict if stricter lockdowns will not be re-introduced or extended in the future.

33. *We may be unable to comply with changes in environmental, health and safety, labour laws and other applicable regulations.*

We are subject to various laws and regulations in relation to environmental protection, such as the Water Act, Air Act, as well as environmental laws and regulations, health and safety laws, and labour laws. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances 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, hiring and termination of employees, contract labour and work permits. For details on such regulations and policies applicable to our business, see “*Key Industry Regulations and Policies*” on page 84 of this Draft Prospectus. Laws and regulations may limit the amount of hazardous and pollutant discharge that our



manufacturing facility may release into the air, soil and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could increase contingent costs, require considerable attention from the management, and adversely affect our reputation in the event we were found liable. 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. Furthermore, in the event our manufacturing activities are shut down or suspended, we may continue to incur costs including those incurred to comply with regulations, appeal regulatory decisions, and compensate our workforce.

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

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

35. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and there can be no assurance that we will be able to pay dividends in the future.*

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Hence, there can be no assurance that we will be able to pay dividends in the future.

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

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "Industry Overview" of this Draft Prospectus. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. Further, the industry data mentioned in this Draft Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Prospectus in this context.

RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE

37. *Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other significant shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt or equity financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares. We cannot assure you that we will not offer Equity Shares or that our shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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



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

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

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

40. *Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of ₹ 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are 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.

41. *The ability of Indian companies to raise foreign capital may be constrained by Indian law.*

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

EXTERNAL RISK FACTORS

42. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.*

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

44. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares. India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

45. *A decline in economic growth or political instability nationally or internationally or changes in the Government in India could adversely affect our business.*

Our performance and the growth of our business are necessarily dependent on the health and performance of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Further, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

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

We are incorporated in and our operations are in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include: political instability, 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;
- any increase in Indian interest rates or inflation;

- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- changes in India's tax, trade, fiscal or monetary policies;
- prevailing regional conditions,
- any downgrading of India's debt rating by a domestic or international rating agency;
- financial instability in financial markets; and
- Other significant regulatory or economic developments in or affecting India.

In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

47. *If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.*

Having our business operations in multiple jurisdictions, we are subject to varying central and state tax regimes. The applicable categories of taxes and tax rates also vary significantly from jurisdiction to jurisdiction, which may be amended from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each country as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned, and expenditure incurred. Our business and financial performance may be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business or the regulator enforcing them in any one of those countries may adversely affect our results of operations.

To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits will no longer be available, or are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. Please see "*Statement of Tax Benefits*" on page 64 of this Draft Prospectus for details in relation to possible tax benefits available to our Company. In the event that any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected.

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time and any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

48. *Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.*

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

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and may adversely affect our business, cash flows and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Government of India 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.

50. *Instability in financial markets could materially and adversely affect our results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions another countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in NIFTY, NSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

SECTION IV – INTRODUCTION

THE ISSUE

Equity Shares⁽¹⁾ : Present Issue of Equity Shares by our Company and the Selling Shareholder ⁽²⁾	Upto 6,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
Consisting of:	
Fresh Issue	Upto 3,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
Offer for Sale	Upto 3,00,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
Which comprises:	
Issue Reserved for the Market Maker	Upto 33,600 Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs.
Net Issue to Public	Upto 5,66,400 Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs.
	Of which⁽³⁾:
	Upto 2,83,200 Equity Shares of ₹10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of upto ₹ 2.00 lakhs
	Upto 2,83,200 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs
Equity shares outstanding prior to the Issue	19,20,000 Equity Shares of face value of ₹10 each
Equity shares outstanding after the Issue	Upto 22,20,000 Equity Shares of face value of ₹10 each
Use of Net Proceeds	Please refer to the section titled " <i>Objects of the Issue</i> " beginning on page no. 57 of this Draft Prospectus.

⁽¹⁾ This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled "Issue Information" beginning on page no. 167 of this Draft Prospectus.

⁽²⁾ The present Issue has been authorized pursuant to a resolution of our Board dated August 08, 2022 and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held with shorter notice on August 19, 2022.

The Offer for Sale has been authorised by the Selling Shareholder by their consent letter dated August 05, 2022 and the No. of Equity Shares offered are as follows:

Sr. No.	Name of Selling Shareholder	No. of Equity Shares Offered
1.	Naresh Nayak	Upto 1,00,000
2.	Niranjana Nayak	Upto 1,00,000
3.	Manjunath Nayak	Upto 1,00,000
	Total	Upto 3,00,000

The Selling Shareholders have confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

⁽³⁾ The allocation in the net Issue to the public category shall be made as per the requirements of Regulation 253(2) of SEBI (ICDR) Regulations, as amended from time to time:

a) Minimum fifty percent to retail individual investors; 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

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

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

For further details please refer to the chapter titled "Issue Structure" beginning on page no. 173 of this Draft Prospectus.



SUMMARY OF FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹.in Lakhs)

Particulars	As At 31 st March 2022	As At 31 st March 2021	As At 31 st March 2020
EQUITY AND LIABILITIES			
1. Shareholder's funds			
a) Share Capital	192.00	32.00	32.00
b) Reserves and surplus	632.30	737.67	700.87
Total Shareholder's Fund (1)	824.30	769.67	732.87
2. Non-current liabilities			
a) Long term borrowings	-	4.71	19.73
b) Deferred Tax Liabilities (Net)	8.38	7.05	6.98
Total (2)	8.38	11.75	26.72
3. Current liabilities			
a) Short term borrowing	377.71	334.24	417.62
b) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	37.86	18.65	17.11
- Total outstanding dues of creditors other than micro enterprises and small enterprises	156.68	127.25	128.56
c) Short term provisions	6.77	7.67	7.80
d) Other current liabilities	32.04	47.84	26.34
Total (3)	611.07	535.66	597.43
TOTAL - 1+2+3	1,443.75	1,317.08	1,357.01
ASSETS			
1. Non-Current assets			
a) Property, plant and equipments	180.83	184.90	205.64
b) Deffered Tax Asset	32.54	24.99	24.06
c) Long term loans and advances	106.51	146.49	124.95
d) Other Non current assets	18.53	26.89	27.72
Total Non-current assets	338.42	383.26	382.37
2. Current assets			
a) Inventories	557.01	508.87	462.81
b) Trade receivables	472.44	351.64	449.68
c) Cash and bank balances	5.32	21.50	22.04
d) Short Term Loans & Advances	69.77	49.86	37.91
e) Other current assets	0.79	1.95	2.20
Total current assets	1,105.32	933.82	974.64
TOTAL	1,443.75	1,317.08	1,357.01

ANNEXURE II
STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED
(₹in Lakhs)

Particulars	As At 31 st March 2022	As At 31 st March 2021	As At 31 st March 2020
INCOME			
Revenue from Operations	2,107.68	1,714.43	2,005.83
Other Income	8.00	11.87	11.87
Total Revenue (A)	2,115.68	1,726.30	2,017.70
EXPENSES			
Cost of material consumed	1,362.61	1,058.44	1,284.23
Changes in inventory of Work in progress & finished goods	(8.30)	16.18	(40.00)
Employee benefit expenses	336.17	313.29	277.31
Finance costs	38.02	46.21	56.45
Depreciation & amortisation cost	33.89	38.98	47.99
Other expenses	285.09	200.11	237.71
Total Expenses (B)	2,047.48	1,673.22	1,863.68
Profit before exceptional and extraordinary items and tax (A-B)	68.20	53.09	154.03
Exceptional items (C)	-	-	-
Profit Before Tax (D)	68.20	53.09	154.03
Tax Expense :			
(a) Current Tax	22.83	15.19	39.82
(b) Deferred Tax	(7.56)	(0.93)	0.89
(c) Tax for earlier periods/ Excess/ Short Provisions	(1.69)	2.01	(0.01)
Total Tax Expense /(Credit) (E)	13.58	16.28	40.70
Profit for the year (D-E)	54.62	36.81	113.32

ANNEXURE III
CASH FLOW STATEMENT, AS RESTATED

(₹in Lakhs)

Particulars	As At 31 st March 2022	As At 31 st March 2021	As At 31 st March 2020
Cash Flow From Operating Activities			
Net Profit Before Tax	68.20	53.09	154.03
Adjustments for :			
Depreciation	33.89	38.98	47.99
Loss/Profit on Sales of Fixed Asset	0.02	0.16	-
FA Written Off	1.96	-	0.57
Sundry Balances Written Back	(12.01)	(8.12)	
Interest income	(1.47)	(1.08)	(1.46)
Finance cost	38.02	46.21	56.45
Reversal of Provision of Doubtful Debt		-	(1.82)
Provision for Deposit & Doubtful debts	25.01	1.43	-
Capital advance written off	23.61	-	
Expenses for issue of shares & increased in Share capital	1.15	-	
GST Credit written off	-	9.42	-
Operating profit before working capital adjustment	178.39	140.09	255.75
Adjustment for changes in working capital			
Trade and other payable	60.65	8.36	72.91
Other current liabilities	(15.80)	21.50	7.77
Trade and other receivables	(137.81)	96.60	155.27
Changes in inventories	(48.13)	(46.06)	(180.37)
Short-term provisions	2.16	(0.35)	-
Loans & Advances	1.77	(22.48)	7.14
Other current assets	0.88	1.49	(0.24)
Cash flow generated from operations	42.11	199.15	318.23
Direct taxes paid	(27.56)	(37.73)	(55.97)
Net cash flow from operating activities (A)	14.55	161.41	262.27
Cash flow from investing activities			
Net Investment in F.D	15.56	2.05	(3.02)
Interest Received	1.47	1.08	1.46
Sale Proceed	0.21	0.25	-
Purchase of plant and machinery	(32.02)	(18.66)	(17.22)
Net Cash flow from Investing activities (B)	(14.78)	(15.27)	(18.79)
Cash flow from financing activities			
Proceedings from Short term borrowings			
-Other than related party	43.46	(83.38)	(185.83)
-From related party	(4.71)	(15.03)	-
Interest paid	(38.02)	(46.21)	(56.45)
Expenses for Issue of Shares and Increase in Share Capital	(1.15)	-	-
Net cash flow From financing activities (C)	(0.41)	(144.62)	(242.28)
Increase/(Decrease) in cash and cash equivalents (A+B+C)	(0.64)	1.52	1.20
Cash and cash equivalent at the beginning of the year	5.65	4.13	2.93
Cash & cash equivalent at the end of the year	5.01	5.65	4.13



GENERAL INFORMATION

Our Company was incorporated as Rex Sealing and Packing Industries Private Limited on August 10, 2005 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing Registration number 155252. The status of the Company was changed to Public limited and the name of our Company was changed to Rex Sealing and Packaging Industries Limited vide Special Resolution dated April 07, 2022. The fresh certificate of incorporation consequent to conversion was issued on August 01, 2022 by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U28129MH2005PLC155252. For further details, please refer to the chapter “History and Certain Corporate Matters” beginning on page no. 91 of this Draft Prospectus.

BRIEF COMPANY AND ISSUE INFORMATION

Registered Office	REX SEALING AND PACKING INDUSTRIES LIMITED Registered Office: A-207, 2nd Floor, Plot No.711 A, Byculla Services Industries, D K Road, Ghodapdeo, Byculla (East) Mumbai - 400027. Tel No.: +91 - 22 - 40021599 Email ID: compliance@rexseal.com Website: www.rexseal.com
Date of Incorporation	August 10, 2005
Company Registration Number	155252
Company Identification Number	U28129MH2005PLC155252
Address of the Registrar of Companies	Address: 100, Everest, Marine Drive, Mumbai 400 002,. Tel No: +91- 22- 2281 2627 / 2202 0295/ 2284 6954 Website: www.mca.gov.in
Issue Programme	Issue Opens on: [●] Issue Closes on: [●]
Designated Stock Exchange	BSE Limited
Company Secretary and Compliance Officer	Saloni Patwa Address: A-207, 2nd Floor, Plot No.711 A, Byculla Services Industries, D K Road, Ghodapdeo, Byculla (East) Mumbai Mumbai City MH 400027. Tel No.: +91 - 22 - 40021599 Email ID: compliance@rexseal.com Website: www.rexseal.com

Board of Directors

As on the date of this Draft Prospectus, the Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Residential Address
Manjunath Nayak	Whole Time Director	00347731	Near Metro Cinema Ramnam Mansion, Cinema Road, Churchgate Marine Lines Mumbai Maharashtra 400020.
Naresh Nayak	Managing Director	00347765	Ram Nam Mansion, Flat No. 20, 4 th Floor Cinema Road Near Metro Cinema Marine Lines Mumbai Maharashtra 400020.
Niranjan Nayak	Whole Time Director and Chief Financial Officer	02606926	Behind Metro Cinema, Flat No. 17, Anil Chambers, Cinema Road, Dhobi Talao, Marine Lines, Mumbai, Maharashtra 400020.
Meeta Nayak	Non-Executive Director	02606944	Behind Metro Cinema Flat No. 17, Anil Chambers, Cinema Road, Dhobi Talao, Marine Lines, Mumbai, Maharashtra 400020.
Mayuri Bipinbhai Rupareliya	Non Executive Independent Director	09696908	402, Giriraj Palace, New Collegewadi Street-2, Behind Punjab Honda-(I), Rajkot Gujarat India 360005.
Priyanka Moondra Rathi	Non Executive Independent Director	09485101	Plot No. 16/2 B, Bhatti Ki Bavri, Chopasni Housing Board, Jodhpur, Rajasthan India 342008.



For further details of our Directors, see “Our Management” on page no 95 of this Draft Prospectus.

CHIEF FINANCIAL OFFICER

Niranjan Nayak

Address: A-207, 2nd Floor, Plot No.711 A,
Byculla Services Industries,
D K Road, Ghodapdeo, Byculla (East)
Mumbai - 400027.
Tel: +91 - 22 - 40021599
Email id: compliance@rexseal.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

Saloni Patwa

Address: A-207, 2nd Floor, Plot No.711 A,
Byculla Services Industries,
D K Road, Ghodapdeo, Byculla (East)
Mumbai - 400027.
Tel: +91 - 22 - 40021599
Email id: compliance@rexseal.com

INVESTOR GRIEVANCES

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

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

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid 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.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

LEAD MANAGER



ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Ground Floor
Alkesh Dinesh Modi Marg
Opp. P. J. Towers (BSE Building),
Fort, Mumbai – 400 001
Tel No.: +91 – 22 – 6216 6999

Email: ipo@afsl.co.in

For Investor Grievances: feedback@afsl.co.in

Website: www.afsl.co.in

Contact Person: Vatsal Ganatra

SEBI Registration No.: INM000011344

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED

Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093.

Tel. No.: +91 22 6263 8200

Email: ipo@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

Contact Person: Aniket Chindarkar

SEBI Registration No.: INR000001385

LEGAL COUNSEL TO THE ISSUE

M/S. ABDUS SAMEE ABDUL QADIR MANIYAR (A. A. MANIYAR) (ADVOCATE)

Office No. 2-A, Ground Floor,
Ali Chambers, Tamarind Street,
Fort, Mumbai 400 001

Tel No.: +91 – 22 - 2265 5505

Email: advaamaniyar@gmail.com

STATUTORY AUDITORS TO OUR COMPANY

RMJ & Associates LLP

41, Film Center, 4th Floor, 68 Tardeo Road,
Mumbai – 400034, Mumbai Maharashtra

Tel: +91-22-4944 6000

Email: info@rmj.in

Contact Person: Nirav Gosalia

Membership No.: 112766

Firm Registration No.: W100281

Peer Review No: 014257

PEER REVIEWED AUDITORS TO THE ISSUE

B B Gusani & Associates*

215-B, Manek Centre,
P. N. Marg, Jamnagar - 361008

Tel: +91- 9428817400

Email: bhargavgusani77@gmail.com

Contact Person: Bhargav B Gusani

Membership No.: 120710

Firm Registration No.: 140785'W

Peer Review No: 013043

**M/s. B B Gusani & Associates, Chartered Accountants, have been appointed as the Peer Reviewed Auditors to the Issue for the purposes of the Restated Financial Statements.*

CHANGES IN THE AUDITORS

There has been no change in our auditors in the last three years preceding the date of this Draft Prospectus.

BANKER(S) TO OUR COMPANY

[•]

BANKER(S) TO OUR ISSUE

[•]



SPONSOR BANK(S)

[•]

SELF CERTIFIED SYNDICATE BANK(S)

The list of banks that have been notified by SEBI to act as the SCSBs (i) in relation to the ASBA (other than through UPI Mechanism) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, as applicable or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link or any other such website as may be prescribed by SEBI from time to time.

INVESTORS BANKS OR ISSUER BANKS FOR UPI

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

REGISTERED BROKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of SEBI (www.sebi.gov.in) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Aryaman Financial Services Limited (AFSL) is the sole Lead Manager (LM) to the issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

MONITORING AGENCY

Since the proceeds from the Fresh Issue does not exceed Rs. 10,000 Lakhs in terms of Regulation 262 (1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of 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 AUTHORITY

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.



CREDIT RATING

As the Issue is of Equity Shares, the appointment of a credit rating agency is not required.

IPO GRADING

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

TRUSTEES

As this is an Issue of Equity Shares, the appointment of trustees is not required.

GREEN SHOE OPTION

No green shoe option is applicable for the Issue

EXPERT OPINION

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

Our Company has received written consent from the Peer Reviewed Auditor namely, B B Gusani & 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 September 17, 2022 and Report on Statement of Tax Benefits dated September 17, 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 OF DRAFT PROSPECTUS

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, the copy of Prospectus shall be furnished to the Board in a soft copy.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 and 28 of the Companies Act, 2013 will be delivered to the Registrar of Company, Mumbai, situated at 100, Everest, Marine Drive, Mumbai – 400 002.

ISSUE PROGRAMME

Event	Dates
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of allottees	[●]
Commencement of trading of Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholder 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 the Stock Exchange are taken within 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 the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.



Applications and any revision to the same shall be accepted only between **10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received upto the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company, nor the Selling Shareholder, nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the 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 or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten	% of total Issue size underwritten
[●]	[●]	[●]	[●]

As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account. In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

WITHDRAWAL OF THE ISSUE

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

MARKET MAKER

[●]

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager, have entered into an agreement dated [●] with [●], a Market Maker registered with SME Platform of BSE Limited in order to fulfill the obligations of Market Making

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to Issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of BSE Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
7. 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 or 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.
8. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
9. The Market Maker shall have the right to terminate the said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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 the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time.

10. **Risk containment measures and monitoring for Market Maker:** SME Platform of BSE Limited will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.



11. **Punitive Action in case of default by Market Maker:** SME Platform of BSE Limited 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.

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.

12. **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 upto ₹. 250 Crores, the applicable price bands for the first day shall be:

- 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.
- 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.

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

The following spread will be applicable on the SME Exchange Platform:

Sr. No.	Market Price Slab (in M)	Proposed spread (in % to sale price)
1.	Upto50	9
2.	50 to 75	8
3.	75 to 100	7
4.	Above 100	6

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

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

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.

On the first day of listing, there will be a pre-open session (call auction) and there after 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 SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.



CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital		
	25,00,000 Equity Shares of face value of ₹ 10 each	250.00	-
B	Issued, Subscribed and Paid-up Share Capital before the Issue		
	19,20,000 Equity Shares of face value of ₹ 10 each	192.00	-
C	Present Issue in Terms of this Draft Prospectus		
	Issue of Upto 6,00,000 Equity Shares of face value of ₹ 10 each ⁽¹⁾	60.00	[●]
	Consisting of		
	Fresh Issue of Upto 3,00,000 Equity Shares	30.00	
	Offer for Sale of Upto 3,00,000 Equity Shares	30.00	
	Which Comprises:		
	Upto 33,600 Equity Shares of face value of ₹ 10 each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	3.36	[●]
	Net Issue to Public of Upto 5,66,400 Equity Shares of face value of ₹ 10 each at a price of ₹ [●] per Equity Share to the Public	56.64	[●]
	Of which ⁽²⁾		
	Allocation to Retail Individual Investors of Upto 2,83,200 Equity Shares	28.32	[●]
	Allocation to other than Retail Individual Investors of Upto 2,83,200 Equity Shares	28.32	[●]
D	Paid-up Equity Capital after the Issue		
	Upto 22,20,000 Equity Shares of face value of ₹ 10 each		222.00
E.	Securities Premium Account		
	Before the Issue		NIL
	After the Issue		[●] ⁽³⁾

⁽¹⁾ The present Issue has been authorised by a resolution of the Board of Directors, dated August 08, and by a resolution of the shareholders of our Company in the Extra-Ordinary General Meeting held with shorter notice on August 19, 2022.

The Offer for Sale has been authorised by the Selling Shareholder by their consent letter dated August 20, 2022 and the No. of Equity Shares offered are as follows:

Sr. No.	Name of Selling Shareholder	No. of Equity Shares Offered
1.	Niranjan Nayak	Upto 1,00,000
2.	Naresh Nayak	Upto 1,00,000
3.	Manjunath Nayak	Upto 1,00,000
	Total	Upto 3,00,000

The Selling Shareholders have confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

⁽²⁾ 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 spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with



the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

⁽³⁾ To be finalized upon determination of the Issue Price.

Our company has no outstanding convertible instruments as on the date of this Draft Prospectus.

NOTES TO CAPITAL STRUCTURE

1. Share Capital History of our Company

The following table sets forth the history of the equity share capital of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
On Incorporation	40,000	10	10	Subscription to MoA ⁽¹⁾	Cash	40,000	4,00,000	Nil
March 12, 2008	1,20,000	10	10	Rights Issue ⁽²⁾	Cash	1,60,000	16,00,000	Nil
March 31, 2009	1,60,000	10	10	Rights Issue ⁽³⁾	Cash	3,20,000	32,00,000	Nil
March 31, 2022	16,00,000	10	NA	Bonus Issue ⁽⁴⁾	Other than Cash	19,20,000	1,92,00,000	Nil

⁽¹⁾ 10,000 equity shares were allotted to Niranjan Nayak, 10,000 equity shares were allotted to Meeta Nayak, 10,000 equity shares were allotted to Naresh Nayak, 10,000 equity shares were allotted to Manjunath Nayak, pursuant to subscription to the MoA.

⁽²⁾ Allotted 1,20,000 Equity shares on Rights basis in the ratio of 3:1 i.e. 3 new equity shares for every one equity share held out of which 30,000 equity shares were allotted to Niranjan Nayak, 30,000 equity shares were allotted to Meeta Nayak, 30,000 equity shares were allotted to Naresh Nayak, 30,000 equity shares were allotted to Manjunath Nayak.

⁽³⁾ Allotted 1,60,000 Equity shares on Rights basis in the ratio of 1:1 i.e. 1 new equity share for every one equity share held out of which 40,000 equity shares were allotted to Niranjan Nayak, 40,000 equity shares were allotted to Meeta Nayak, 40,000 equity shares were allotted to Naresh Nayak, 40,000 equity shares were allotted to Manjunath Nayak.

⁽⁴⁾ Allotted 16,00,000 Equity shares of 10 each as Bonus issue in the ratio of 5:1 i.e. 5 new equity shares for every one equity share held out of which 4,00,000 equity shares were allotted to Niranjan Nayak, 4,00,000 equity shares were allotted to Meeta Nayak, 4,00,000 equity shares were allotted to Naresh Nayak, 4,00,000 equity shares were allotted to Manjunath Nayak.

2. Details of Equity Shares issued for consideration other than cash:

Except as set out below, we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for allotment	Benefits accrued to our Company
March 31, 2022 ⁽⁵⁾	Niranjan Nayak	4,00,000	10	N.A.	Other than cash	Expansion of Capital
	Meeta Nayak	4,00,000				
	Naresh Nayak	4,00,000				
	Manjunath Nayak	4,00,000				



⁽⁵⁾ Allotted 16,00,000 Equity shares of 10 each as Bonus issue in the ratio of 5:1 i.e. 5 new equity shares for every one equity share held out of which 4,00,000 equity shares were allotted to Niranjana Nayak, 4,00,000 equity shares were allotted to Meeta Nayak, 4,00,000 equity shares were allotted to Naresh Nayak, 4,00,000 equity shares were allotted to Manjunath Nayak.

3. No shares have been allotted in terms of any scheme approved under sections 230-234 of the Companies Act, 2013.

4. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

No shares have been issued at a price lower than the Issue Price within the last one year from the date of the Draft Prospectus except as mentioned under:

Date of Allotment	Name of the Allottees	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Promoter / Promoter Group	Reasons for allotment	Benefit accrued to the Company
March 31, 2022 ⁽⁶⁾	Niranjana Nayak	4,00,000	10	N.A.	Other than cash	Bonus Issue	Expansion of Capital
	Meeta Nayak	4,00,000					
	Naresh Nayak	4,00,000					
	Manjunath Nayak	4,00,000					

⁽⁶⁾ Allotted 16,00,000 Equity shares of 10 each as Bonus issue in the ratio of 5:1 i.e. 5 new equity shares for every one equity share held out of which 4,00,000 equity shares were allotted to Niranjana Nayak, 4,00,000 equity shares were allotted to Meeta Nayak, 4,00,000 equity shares were allotted to Naresh Nayak, 4,00,000 equity shares were allotted to Manjunath Nayak.

5. Shareholding Pattern of our Company

a) The table below presents the current shareholding pattern of our Company as on the date of this Draft Prospectus.

Category (I)	Category of Share- holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding Convertible securities (incl. Warrants) (X)	Share Holding as a % assuming Full convertible securities (as a% of Diluted Share Capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in De-mat form (XIV)
								No of voting Right			Total As a %of(A+B+C)			No (a)	As a %of total shares held (b)	No (a)	As a % of total shares held (b)	
								Class-Equity	Class	Total								
A	Promoter & Promoter Group	6	19,19,990	-	-	19,19,990	100%	19,19,990	-	19,19,990	100%	-	100%	-	-	-	-	19,19,900
B	Public	1	10	-	-	10	Negligible	10	-	10	Negligible	-	Negligible	-	-	-	-	10
C	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	7	19,20,000	-	-	19,20,000	100.00%	19,20,000	-	19,20,000	100.00%	-	100.00%	-	-	-	-	19,20,000



- a) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of two years prior to the date of this Draft Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share capital (%)
1.	Niranjan Nayak	80,000	25%
2.	Meeta Nayak	80,000	25%
3.	Naresh Nayak	80,000	25%
4.	Manjunath Nayak	80,000	25%
Total		3,20,000	100%

- b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Draft Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share capital (%)
5.	Niranjan Nayak	80,000	25%
6.	Meeta Nayak	80,000	25%
7.	Naresh Nayak	80,000	25%
8.	Manjunath Nayak	80,000	25%
Total		3,20,000	100%

- c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of ten days prior to the date of this Draft Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Issue Share Capital (%)
1.	Niranjan Nayak	4,80,000	25%
2.	Meeta Nayak	4,80,000	25%
3.	Naresh Nayak	4,80,000	25%
4.	Manjunath Nayak	4,79,970	24.99%
Total		19,19,970	99.99%

- d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Prospectus.

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Issue Share Capital (%)
1.	Niranjan Nayak	4,80,000	25%
2.	Meeta Nayak	4,80,000	25%
3.	Naresh Nayak	4,80,000	25%
4.	Manjunath Nayak	4,79,970	24.99%
Total		19,19,970	99.99%

- e) Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

6. Except as disclosed in this Draft Prospectus, our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

7. Shareholding of our Promoters and Selling Shareholders

a) Build-up of the shareholding of our Promoter

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
Niranjan Nayak⁽¹⁾							
On Incorporation	Subscription to MOA	Cash	10,000	10	10	0.52%	0.45%
March 12, 2008	Rights Issue	Cash	30,000	10	10	1.56%	1.35%
March 31, 2009	Rights Issue	Cash	40,000	10	10	2.08%	1.80%
March 31, 2022	Bonus Issue	Other than Cash	4,00,000	10	Nil	20.08%	18.01%
Naresh Nayak⁽²⁾							
On Incorporation	Subscription to MOA	Cash	10,000	10	10	0.52%	0.45%
March 12, 2008	Rights Issue	Cash	30,000	10	10	1.56%	1.35%
March 31, 2009	Rights Issue	Cash	40,000	10	10	2.08%	1.80%
March 31, 2022	Bonus Issue	Other than Cash	4,00,000	10	Nil	20.08%	18.01%
Manjunath Nayak⁽³⁾							
On Incorporation	Subscription to MOA	Cash	10,000	10	10	0.52%	0.45%
March 12, 2008	Rights Issue	Cash	30,000	10	10	1.56%	1.35%
March 31, 2009	Rights Issue	Cash	40,000	10	10	2.08%	1.80%
March 31, 2022	Bonus Issue	Other than Cash	4,00,000	10	Nil	20.08%	18.01%

⁽¹⁾ Out of the total holding of Niranjan Nayak, shares aggregating upto 1,00,000 equity shares are offered as part of Offer for Sale.

⁽²⁾ Out of the total holding of Naresh Nayak, shares aggregating upto 1,00,000 equity shares are offered as part of Offer for Sale.

⁽³⁾ Out of the total holding of Manjunath Nayak, shares aggregating upto 1,00,000 equity shares are offered as part of Offer for Sale.

Notes:

- None of the shares belonging to our Promoter have been pledged till date.
- The entire Promoter' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- Our Promoter have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoter have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoter, were fully paid-up on the respective dates of acquisition of such shares.

b) Pre- Issue and Post- Issue Shareholding of our Promoter and Promoter Group

Provided below are details of Equity Shares held by our Promoter and the members of our Promoter Group as on the date of this Prospectus:

Sr. No.	Category of Promoter	Pre-Issue		Post- Issue	
		No. of Equity Shares	Percentage of pre- issue capital (%)	No. of Equity Shares	Percentage of post- issue capital (%)
1. Promoter					

Sr. No.	Category of Promoter	Pre-Issue		Post- Issue	
		No. of Equity Shares	Percentage of pre- issue capital (%)	No. of Equity Shares	Percentage of post- issue capital (%)
1	Niranjan Nayak	4,80,000	25%	3,80,000	17.12%
2	Naresh Nayak	4,80,000	25%	3,80,000	17.12%
3	Manjunath Nayak	4,79,970	24.99%	3,79,970	17.11%
2. Promoter Group (as per defined by Reg. 2(1)(pp) of SEBI ICDR Regulations)					
1	Meeta Nayak	4,80,000	25%	4,80,000	21.62%
2	Nivedita Niranjan Nayak	10	Negligible	10	Negligible
3	Kalpana N Nayak	10	Negligible	10	Negligible
Total Promoter & Promoter Group Holding		19,19,990	99.99%	19,19,990	72.97%
Total Paid up Capital		19,20,000	100.00%	22,20,000	100.00%

All Equity Shares held by the Promoter and members of our Promoter Group have been dematerialised as on date of this Draft Prospectus.

8. Our Company has Seven (7) shareholders, as on the date of this Draft Prospectus.

9. We hereby confirm that:

- a. None of the members of the Promoter, 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 mentioned below:

Date of Transaction	Name of Transferor	Name of Transferee	No. of Shares (F.V. ₹ 10)	Price per share (₹)	Nature of Transaction	Nature of Consideration
April 04, 2022	Manjunath Nayak	Nivedita Niranjan Nayak	10	10	Inter-se transfer	Other than Cash
		Kalpana N Nayak	10	10	Inter-se transfer	Other than Cash
April 04, 2022	Manjunath Nayak	Shailaja Vijaykumar Pawar	10	10	Inter-se transfer	Cash
March 31, 2022	N.A.	N.A.	10	Nil	Bonus Issue*	Other than Cash

*Allotted 16,00,000 Equity shares of 10 each as Bonus issue in the ratio of 5:1 i.e. 5 new equity shares for every one equity share held out of which 4,00,000 equity shares were allotted to Niranjan Nayak, 4,00,000 equity shares were allotted to Meeta Nayak, 4,00,000 equity shares were allotted to Naresh Nayak, 4,00,000 equity shares were allotted to Manjunath Nayak.

- b. None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

10. Promoter's Contribution and other Lock-in details

a) Details of Promoter's Contribution locked-in for three (3) years

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by the Promoter, shall be locked in for a period of three years as minimum Promoter's contribution from the date of Allotment and the shareholding of the Promoter in excess of 20% of the fully diluted post- Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The details of the Equity Shares held by our Promoter, which shall be locked-in for a period of three years from the date of allotment, are set out in the following table:



Name of Promoter	No. of Equity Shares Locked-in ⁽¹⁾	% of the post- Issue equity share capital
Niranjan Nayak	Upto 1,50,000	6.76%
Naresh Nayak	Upto 1,50,000	6.76%
Manjunath Nayak	Upto 1,50,000	6.76%
Total	Upto 4,50,000	20.27%

⁽¹⁾For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer “Notes to Capital Structure” on page no. 48 of this Draft Prospectus.

We confirm that in compliance with Regulation 237 of SEBI ICDR Regulations, the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- The Equity Shares held by the Promoter and offered for minimum 20% Promoter’ Contribution is not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter’ Contribution subject to lock-in.

We further confirm that our Promoter’ Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

a) Details of share capital locked-in for one (1) year

i) Pursuant to Regulation 238 (b) of the SEBI (ICDR) Regulations, in addition to the Promoter’s Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue, other than the Equity Shares allotted and subscribed pursuant to the Offer for Sale.

ii) Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.

iii) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoter, which are locked in as per Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoter / Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

iv) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoter, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

11. Neither the Company, nor it’s Promoter, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
12. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful Applicants will be issued fully paid-up Equity Shares.



- 13.** As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of 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.
- 14.** As on date of this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
- 15.** None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "Our Management" beginning on page no. 95 of this Draft Prospectus.
- 16.** Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "Issue Procedure" beginning on page no. 176 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
- 17.** An over-subscription to the extent of 10% 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 10% of the Issue, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- 18.** Subject to valid applications being received at or above the Issue Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
- 19.** No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.
- 20.** There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
- 21.** Our Company shall ensure that transactions in the Equity Shares by our Promoter and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
- 22.** Our Promoter and Promoter Group will not participate in the Issue.
- 23.** Our Company has not re-valued its assets and we do not have any revaluation reserves till date.



SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue comprises of a Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholder.

The Offer for Sale

The Selling Shareholder propose to sell an aggregate of up to 3,00,000 Equity Shares held by him, aggregating up to ₹ [●] lakhs. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder.

Issue Proceeds & Net Issue Proceeds

The details of the proceeds of the Fresh Issue are set forth in the table below:

Sr. No.	Particulars	Amount
1	Gross Proceeds of the Fresh Issue	[●]
2	Issue related Expenses ⁽¹⁾	[●]
	Net Proceeds of the Fresh Issue	[●]

⁽¹⁾ Except for the Regulatory related expenses, which will be borne by our Company, all other expenses relating to the Issue as mentioned above will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares contributed to the Issue. The Issue expenses are estimated expenses and subject to change.

Net Proceeds from Fresh Issue

The Objects of the Net Proceeds from Fresh Issue is to raise funds for:

- Funding Working Capital Requirement
- General Corporate Purpose

Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential customers.

The Main Objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by the Company through the Present Issue. Further, we confirm that the activities that we have been conducting until now are in accordance with the objects clause of our Memorandum of Association.

Proposed Schedule of Implementation and Deployment of the Net Proceeds

The Net Proceeds of the Fresh Issue (“Net Proceeds”) are currently expected to be deployed in accordance with the schedule as stated below:

Sr. No.	Object	Amount to be funded from Net Proceeds	Amount to be deployed from Net Proceeds in Fiscal 2023
1.	Funding Working Capital Requirement	[●]	[●]
2.	General Corporate Purpose	[●]	[●]
	Total	[●]	[●]

Requirement of Funds and Means of Finance

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Lead Managers or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be



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

The entire fund requirements are to be financed from the Net Fresh Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the “Risk Factors” on page no. 20 of this Draft Prospectus.

DETAILS OF THE FUND REQUIREMENTS

1) Funding Working Capital Requirement

Our business is working capital intensive and we fund the majority of our working capital requirements in the ordinary course of our business from financing from various banks, financial institutions and internal accruals. As at [●], our fund-based sanctioned working capital facilities comprised ₹ 450 lakhs from banks & other financial institutions. For further information, please refer “Financial Indebtedness” on page no. 148 of this Draft Prospectus.

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

Our Company’s existing working capital requirement on the basis of our Restated Consolidated Financial Statements for the Fiscal 2020 and 2021 and Estimated Financials for the Fiscal 2022 is as set out in the table below:

Sr. No.	Particulars	For Fiscal 2020-21 (Audited)	For Fiscal 2021-22 (Audited)	For Fiscal 2022-23 (Estimated)
I.	Current Assets:			
1.	Inventories	508.87	557.01	[●]
2.	Trade Receivables	351.64	472.44	[●]
3.	Short Term Loans and Advances	49.86	69.77	[●]
4.	Other Current Assets	1.95	0.79	[●]
	Total Current Assets (A)	912.32	1,100	[●]
II.	Current Liabilities			
1.	Trade Payables	145.90	194.54	[●]
2.	Other Current Liabilities and Short Term Provisions	55.51	38.82	[●]
	Total Current Liabilities (B)	201.41	233.36	[●]
III.	Total Working Capital Gap (A – B)	710.90	866.65	[●]
IV.	Funding Pattern:			
1.	Working Capital Facilities from Banks ⁽¹⁾	199.57	283.14	[●]
2.	Unsecured Loans	119.65	94.57	[●]
3.	Owned Funds	391.68	488.94	[●]
4.	Part of the Net proceeds to be utilized	-	-	[●]

⁽¹⁾ Our sanctioned working capital facilities as on date of this Draft Prospectus comprised of ₹ 450.00 lakhs from banks and other financial institutions.

Assumptions for Working Capital requirements

Holding levels

Provided below are details of the holding levels (days, rounded-off) considered.



Particulars	As on March 31, 2021 (Actual)	As on March 31, 2022 (Actual)	As on March 31, 2023(Assumed)
Current Assets			
Inventories	108	96	[●]
Trade Receivables	75	82	[●]
Current Liabilities			
Trade Payables	50	52	[●]

Justification for holding period levels

Particulars	Details
Current Assets	
Inventories	Inventories days are computed from the historic Restated Statements and are adjusted for future expected. We are primarily a Manufacturing Company and we intend to keep our inventory at a similar level to that of earlier years, which will enable us to save on holding costs and obsolete inventory. Accordingly, our Company estimates, Inventory level to be at [●] days for the F. Y. 2022-23.
Trade Receivables	Trade Receivables days are computed from the historic Restated Financial Statements and are adjusted for future estimates based on management estimates. Our Company has estimated the holding level for Trade Receivable as [●] days of revenue from operations for the Financial Year 2022-23 considering flexibility needed to be given to customers due to volatile macro economic situation.
Current Liabilities	
Trade Payables	Our trade creditors are not expected to give us substantial credit. Hence, We have assumed Creditors payment period to be at around [●] days for FY 2022-23

2) General Corporate Purpose

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes, subject to such utilisation not exceeding 25% of the gross proceeds of the Fresh Issue, in compliance with the Regulation 230 (2) of the SEBI ICDR Regulations. Further, we confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose.

Our management will have flexibility to deploy ₹ [●], aggregating to [●]% of the Net Proceeds of the Fresh Issue towards general corporate purposes, including but not restricted to strategic initiatives, debt repayments, partnerships, joint ventures and acquisitions, branding, marketing, new client/vendor referral fees, commissions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●], which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue size
1	Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[●]	[●]%	[●]%
2	Brokerage and selling commission ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	[●]	[●]%	[●]%
3	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]%	[●]%



4	Advertisement and Marketing Expenses	[●]	[●]%	[●]%
5	Stock Exchange Fees, Regulatory and other Expenses	[●]	[●]%	[●]%
Total		[●]	[●]%	[●]%

- 1) *The SCSBs and other intermediaries will be entitled to a commission of [●] per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.*
- 2) *The SCSBs would be entitled to processing fees of [●] per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.*
- 3) *Further the SCSBs and other intermediaries will be entitled to selling commission of [●]% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.*
- 4) *The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.*

The Issue expenses are estimated expenses and subject to change. The Issue expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective Intermediaries by our Company.

Appraisal and Bridge Loans

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

Year wise Deployment of Funds / Schedule of Implementation

As on the date of this Draft Prospectus, no funds have been deployed on these objects. The entire Issue size is proposed to be deployed in the Financial Year 2022-23.

Monitoring of Utilization of Funds

Since the proceeds from the Issue do not exceed ₹ 10,000 lakhs, in terms of Regulation 262 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee will monitor the utilisation of the proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilised for purposes other than those stated in the Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the Issue as stated above.

Interim Use of Funds

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued



to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

Other Confirmations / Payment to Promoters and Directors and Promoter's Group from the IPO Proceeds

No part of the Net Proceeds of the Issue will be paid by our Company as consideration to our Promoters, our Board of Directors, our Key Management Personnel except as discussed above.



BASIS OF ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹10 and Issue Price is ₹[●] per Equity Shares and is [●] time of the face value. Investors should read the following basis with the sections titled “Risk Factors”, “Financial Information” and the chapter titled “Our Business” beginning on page nos. 20, 114 and 72 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

1. Focusing on multiple end - user industries
2. Quality Products
3. Experienced Management Team
4. Long Term relationship with clients and repeat business
5. In house R&D for innovation and cost improvements
6. Presence in International markets

For more details on qualitative factors, refer to chapter “Our Business” on page no.72 of this Draft Prospectus.

Quantitative Factors

The information presented in this section is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Financial Statements as Restated” on page no. 114 of this Draft Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. Basic and Diluted Earnings / Loss Per Share (“EPS”)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹) ⁽¹⁾	Weights
2022	2.85	3
2021	1.92	2
2020	5.90	1
Weighted Average	3.05	

⁽¹⁾ Based on Restated Financials of our Company

Notes:

- a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year/period}}$$

- c. Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together with paragraph 7 of Companies (Accounting) Rules, 2014.
- d. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in “Annexure IV & V - Financial Information” beginning on page no. 114 Draft Prospectus.



2. Price Earnings Ratio (“P/E”) in relation to the Price of ₹ [●] per share of ₹ 10 each

Particulars	P/E*
P/E ratio based on Basic and Diluted EPS as at March 31, 2022	[●]
P/E ratio based on Weighted Average EPS	[●]

* The same shall be updated once IPO price is finalised and updated in the Prospectus prior to opening the issue.

3. Return on Net worth (RoNW)

Year ended March 31,	RoNW (%) ⁽¹⁾	Weight
2022	6.63%	3
2021	4.78%	2
2020	15.46%	1
Weighted Average	7.49%	

⁽¹⁾ Based on Restated Financials of our Company

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

$$\text{RoNW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

4. Net Asset Value (NAV) based on actual no. of equity shares at the end of the year

Financial Year	NAV (₹)
NAV as at March 31, 2022	42.93
NAV after Issue	[●]
Issue Price (₹)	[●]

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

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year}}$$

5. Comparison with Industry Peers

We believe that there is no other listed company which is specifically comparable to us w.r.t our business model, size and financials.

- The face value of our share is ₹10.00 per share and the Issue Price is of ₹ [●] per share are [●] times of the face value.
- The Company in consultation with the Lead Manager believes that the Issue price of ₹ [●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the Company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is [●] times of the face value i.e. ₹ [●] per share.



STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Rex Sealing And Packing Industries Limited
A-207, 2nd Floor, Plot No.711 A,
Byculla Services Industries, D K Road, Ghodapdeo,
Byculla (East) Mumbai - 400027

Dear Sirs,

Sub: Statement of Possible Special Tax Benefits available to Rex Sealing And Packing Industries Limited and its shareholders prepared in accordance with 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”).

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 presently in force in India (together referred to as the “**Direct Tax Laws**”), the Goods and Service Tax laws & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”).

These possible special tax benefits are dependent on the Company and/ or the Company’s shareholders fulfilling the conditions prescribed under relevant Direct Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. The Company does not have any subsidiary as on date of the Draft Prospectus/ Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

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

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby give consent to include this Statement in the Draft Prospectus and Prospectus in connection with the proposed initial public offering of the Company.

Yours faithfully,



For B. B. Gusani And Associates
Chartered Accountants
FRN: 140785W

Bhargav B Gusani
Proprietor
Membership No: 120710
Place: Jamnagar
Date: 17th September, 2022
UDIN: 22120710ASVERK6547



Annexure

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS

Outlined below are the possible special tax benefits available to **Rex Sealing And Packing Industries Limited** (“the Company”) and to its Shareholders under the Direct and Indirect Tax Laws in force in India.

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. Direct Tax

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

2. Indirect Tax

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

B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

1. Direct Tax

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

2. Indirect Tax

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



SECTION VI – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications, publically available documents and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page nos. 20 and 114 of this Draft Prospectus.

Global Economic Overview

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. Economic damage from the conflict will contribute to a significant slowdown in global growth in 2022. A severe double-digit drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spill overs through commodity markets, trade, and financial channels. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, with vulnerable populations—particularly in low-income countries—most affected. Elevated inflation will complicate the trade-offs central banks face between containing price pressures and safeguarding growth. Interest rates are expected to rise as central banks tighten policy, exerting pressure on emerging market and developing economies. Moreover, many countries have limited fiscal policy space to cushion the impact of the war on their economies. The invasion has contributed to economic fragmentation as a significant number of countries sever commercial ties with Russia and risks derailing the post-pandemic recovery. It also threatens the rules-based frameworks that have facilitated greater global economic integration and helped lift millions out of poverty. In addition, the conflict adds to the economic strains wrought by the pandemic. Although many parts of the world appear to be moving past the acute phase of the COVID-19 crisis, deaths remain high, especially among the unvaccinated. Moreover, recent lockdowns in key manufacturing and trade hubs in China will likely compound supply disruptions elsewhere.

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January World Economic Outlook Update. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. Crucially, this forecast assumes that the conflict remains confined to Ukraine, further sanctions on Russia exempt the energy sector (although the impact of European countries’ decisions to wean themselves off Russian energy and embargoes announced through March 31, 2022, are factored into the baseline), and the pandemic’s health and economic impacts abate over the course of 2022. With a few exceptions, employment and output will typically remain below pre-pandemic trends through 2026. Scarring effects are expected to be much larger in emerging market and developing economies than in advanced economies—reflecting more limited policy support and generally slower vaccination—with output expected to remain below the pre-pandemic trend throughout the forecast horizon. Unusually high uncertainty surrounds this forecast, and downside risks to the global outlook dominate—including from a possible worsening of the war, escalation of sanctions on Russia, a sharper-than-anticipated deceleration in China as a strict zero-COVID strategy is tested by Omicron, and a renewed flare-up of the pandemic should a new, more virulent virus strain emerge. Moreover, the war in Ukraine has increased the probability of wider social tensions because of higher food and energy prices, which would further weigh on the outlook.

Inflation is expected to remain elevated for longer than in the previous forecast, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected in January. Although a gradual resolution of supply-demand imbalances and a modest pickup in labour supply are expected in the baseline, easing price inflation eventually, uncertainty again surrounds the forecast. Conditions could significantly deteriorate. Worsening supply-demand imbalances—including those stemming from the war—and further increases in commodity prices could lead to persistently high inflation, rising inflation expectations, and stronger wage growth. If signs emerge that inflation will be high over the medium term, central banks will be forced to react faster than currently anticipated—raising interest rates and exposing debt vulnerabilities, particularly in emerging markets

(Source: The International Monetary Fund, World Economic Outlook April, 2022)

Indian Scenario

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. With an improvement in the economic scenario, there have been investments across various sectors of the economy.

Market Size

- India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22.
- India is the third-largest unicorn base in the world with over 100 unicorns with a total valuation of US\$ 332.7 billion.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
- According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US\$ 634.287 billion mark.

Recent Developments

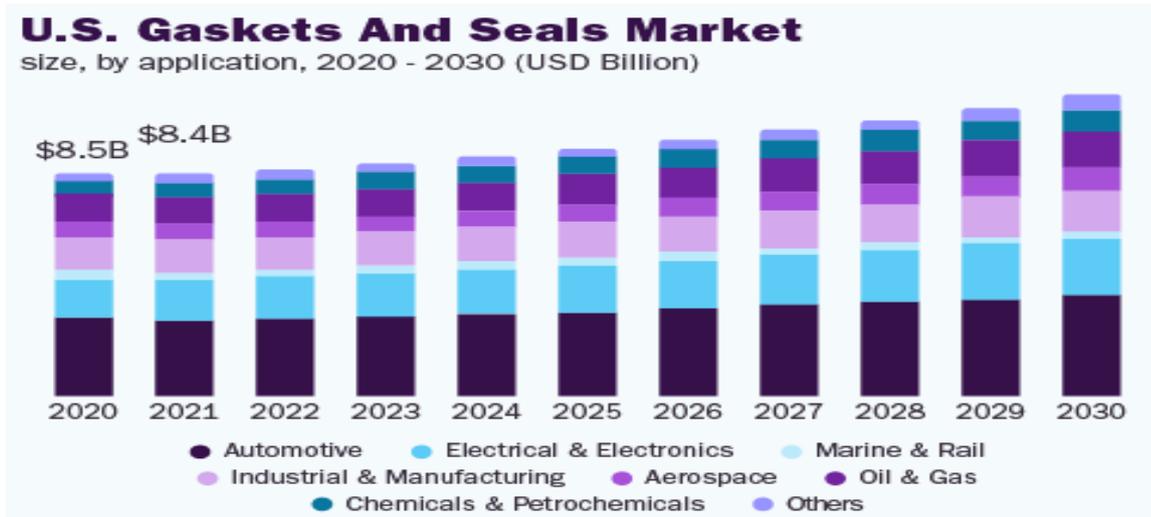
Recent economic developments in India are as follows:

- With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US\$ 5.8 billion across 117 deals in February 2022, 24% higher than in January 2022.
- India's merchandise exports were at an all-time high of US\$ 417.81 billion in FY22. In April 2022, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 54.7.
- The gross Goods and Services Tax (GST) revenue collection hit an all-time high of Rs. 1.68 trillion (US\$ 21.73 billion) in April 2022. This is a 20% increase over the previous year.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 572.80 billion between April 2000-December 2021.
- India's Index of Industrial Production (IIP) for January 2022 stood at 138.4 against 136.6 for January 2021.
- Foreign portfolio investors (FPIs) invested Rs.50,009 crore (US\$ 6.68 billion) in the Calendar year 2021.
- Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21

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

OVERVIEW OF GLOBAL GASKETS AND SEAL INDUSTRY

The global gaskets and seals market size was estimated at USD 56.93 billion in 2021 and is anticipated to grow at a compound annual growth rate (CAGR) of 4.1% over the forecast period. The use of advanced materials in manufacturing gaskets and seals for critical applications including aircraft manufacturing, medical equipment, and chemical processing is expected to drive the market growth over the forecast period. The global gaskets and seals industry has experienced limited growth as a consequence of the economic recession caused by the COVID-19 crisis, which has resulted in low investor confidence and a decline in industrial activities.



As a result, the market for gaskets and seal materials has also experienced a catastrophic setback. The COVID-19 pandemic in the U.S affected the growth of the industrial operations. The stay-at-home instructions and social distancing mandates also impacted the product demand. In the U.S., the automotive sector accounted for the largest market share in 2021 and is estimated to grow at a CAGR of 3.3% over the forecast period. Gaskets and seals are designed to help ensure performance efficiency and to support manufacturers to comply with stringent specifications and standards. In addition, they also aid in reducing the risk of unexpected downtime and control emissions. In the automotive industry, increasing stringent emission norms are also one of the major factors that are expected to drive the product demand. The industrial sector is also witnessing the development of advanced power transmission seals, which are expected to demonstrate a notable reduction of power loss in drive assemblies as opposed to conventional sealing elements. These seals comprise revolutionary designs and special materials, which offer superior performance under extreme pressure conditions. They also ensure the optimization of sealing function, friction, and abrasion resistance. The use of advanced sealing systems and components is projected to enhance the production efficiency and sustainability of plants. Thus, it allows products to be manufactured with greater resource efficiency. Companies are also installing indicators to gauge energy efficiency and emissions at plants. Hence, sealing solutions are expected to aid the growth of green manufacturing across the industrial sector, thereby driving the overall demand for seals in the market.

The seals product segment led the market and accounted for more than 61.00% share of the global revenue in 2021. They are used in various applications ranging from automobiles, rockets, ships, industrial plant equipment, and consumer devices. Thus, the rise of automobile and electronics production in the global market is anticipated to drive the demand for mechanical seals. The seals product segment is expected to grow at a steady CAGR over the forecast period. The machine comprising of a large vessel and a rotating shaft at the center of the vessel also requires the installation of mechanical seals. Thus, they have a wide range of applications in the oil & gas sector, such as upstream or downstream exploration and midstream transportation.

The gasket segment is projected to register the fastest CAGR over the forecast period. The gaskets handle pressure and temperature fluctuations, bolt stress relaxation, and creep. In addition, it prevents the ingress or leak of toxic and corrosive chemicals and media. Thus, gaskets are widely used for extreme chemical and temperature demands in the chemical process and aerospace. Non-metallic gaskets are witnessing high demand in automotive electronics, further supplemented by the rising automotive production, particularly in Asia Pacific and Europe. In addition, gaskets manufactured with advanced materials, which are lightweight and offer high functionality, are expected to drive the demand for non-metallic gaskets.

(Source: <https://www.grandviewresearch.com/industry-analysis/gaskets-seals-market>)

COVID-19 impact on Global Industrial Gaskets Market

The industrial gaskets are used various industries such as refineries, power generation, chemical processing, food & pharmaceuticals, and others. COVID-19 has severely impacted these industries.

- The lockdown in various countries and logistical restrictions have adversely impacted the industries. Supply chain disruptions, workforce unavailability, logistical restrictions, limited availability of components, demand drop, low company liquidity, and shutdown of manufacturing due to lockdown in various countries have adversely affected the

industry. Raw material suppliers and other related businesses are forced to re-evaluate their strategies to cater to this industry during this crisis period.

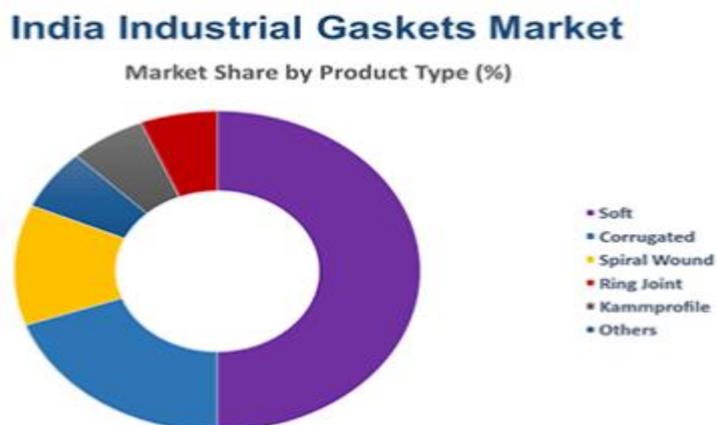
- Due to lockdown, many refineries, chemical processing, food & beverage processing industries, textile, and water & wastewater treatment industries activities are halted. The companies are taking precautions to avoid the spread of the virus. Governments of different countries are keeping a close watch on the disruption and taking every necessary step to mitigate the impact of COVID-19 by promoting food processing. For instance, The UAE has tripled its local food production and is aiming to increase domestic production of essential items, such as dairy products, cooking oil, and packaging of dates, fresh poultry, fish, seafood, and other items.
- Even where shutdowns have not been imposed, restrictions on the movement of people and supplies have delayed operations. In the second half of 2020, countries have lifted restrictions and gradually started business operations in various sectors. Even after the lifting of lockdown, it will be challenging for industrial gaskets manufacturers to get back to normal working situations. This will subsequently affect the industrial gaskets market.

(Source: <https://www.marketsandmarkets.com/Market-Reports/industrial-gasket-market-247925347.html>)

OVERVIEW OF INDIAN GASKETS AND SEAL INDUSTRY

The India industrial gaskets industry is being led by the increasing power generation in the country to meet the increasing power demand. Further, the positive business conditions in the Indian manufacturing sector are boosting the market growth in the country. In addition to this, the Make in India drive is helping India become the hub for hi-tech manufacturing as many global giants have either set up or are in the process of setting up manufacturing plants in India supported by the growing population and an increasing purchasing power. This is predicted to favour the market growth of industrial gaskets. Also, the Government of India is taking several initiatives to promote a healthy environment for the development of the manufacturing sector in the country, consequently boosting the industrial gaskets market in India. The India industrial gaskets market witnessed a healthy growth in the historical period of 2017-2021. The India industrial gaskets industry is expected to grow at a CAGR of 6% in the forecast period of 2022-2027.

Industrial gaskets work as static seals between two non-mobile flat flanges. They are key components of industrial applications tasked to assist seal joints in limiting vibration, enhancing mounting, and preventing leaks. Industrial gaskets are manufactured using materials that can tolerate high rates of compression like rubber, graphite, nitrite, and neoprene.



The market growth of the industrial gaskets in India is driven by the robust growth of the refineries segment in recent years. The growth of this segment can be attributed to the growing requirement of sealing products to prevent leakages of hazardous chemicals and toxins into the environment. In addition, the flourishing automotive industry, along with the growing product utilization in the plumbing and construction sector, is expected to aid the market growth over the forecast period. Further, due to robust industrialisation and rapid urbanisation in the country, the manufacturing plants and factories that use gaskets are increasing—thereby facilitating market growth. The market is further supported by certain factors like the extensive application of industrial gaskets in multiple end-use industries, rising consumption of PTFE gaskets, increasing demand from oil & gas production-related facilities in GCC countries, strict regulations regarding leakage implemented by the Environmental Protection Agency to safeguard against any environmental damage, which are bolstering the market growth. However, the market growth was negatively affected in 2020 due to the COVID-19 outbreak, which severely disrupted the value chain. The market may gradually recover over the forecast period due to government initiatives aimed at reviving the economy.



Key Industry Players in India Industrial Gaskets Market

Following are the key players in the India industrial gaskets market, covering their competitive landscape, capacity, and latest developments like mergers, acquisitions, and investments, expansions of capacity, and plant turnarounds:

- Starflex Co., Ltd
- IGP Group Crown Gaskets Pvt. Ltd.
- Champion Seals India Pvt Ltd
- Asian Sealing Products Private Limited

(Source: <https://www.expertmarketresearch.com/reports/india-industrial-gaskets-market>)

ROAD AHEAD

India has now been ranked sixth among the world's ten largest manufacturing countries. The petrochemical industry contributes about 30% of raw materials to the chemical industry, which is expected to reach USD 300 billion by 2025. Furthermore, factors such as the growing industrial, electrical, and electronics sectors in the developing economies, including China, India, and ASEAN countries, are further expected to boost the demand for gaskets and seals in the region.

(Source: <https://www.mordorintelligence.com/industry-reports/gaskets-and-seals-market>)



OUR BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 20, 114 and 139 respectively, of this Draft Prospectus.

Unless the context otherwise requires, in relation to business operations, in this chapter of this Draft Prospectus, all references to "we", "us", "our" and "our Company" are to Rex Sealing and Packing Industries Limited as the case may be.

Overview

Rex Sealing and Packing Industries Limited, is a manufacturer and exporter of Sealing packing and Insulation products including Jointing Sheets, Fabric Expansion Joints, Gland packing & Ropes, High Temperature resistant textiles etc.

Our business was initiated in the Year 1963 by our founding Promoter, Mr. Manjunath Nayak under the name "M/s Rex Industries" for manufacturing of Gland Packing. Initially we started as a manufacturing business at a very small scale. Thereon, in the Year 1997, the business was further expanded by second generation of the family, Mr. Niranjana Nayak and later joined by Mr. Naresh Nayak in the Year 2001. Further, with a vision to corporatize our business and cater to the organized players in the markets, our Company was incorporated in the Year 2005.

Our Promoters have more than two decades of experience in this industry. Our business operations have been led by our Promoter and assisted by our experienced Management Team who has contributed to the growth of our business operations. The team is backed by a core technical team that has substantial experience in manufacturing and technical know-how. For further details, please refer "*Our Management*" on page 95 of this Draft Prospectus.

Our Company is an ISO 9001 & 14001 Certified company. We follow British Standard ("BS"), Deutsches Institut für Normung (DIN) - German Standard, ASTM ("American Standard"), and American Standard Soc of Mechanical Engineers ("ASME") quality standards for our range of products.

Our diversified products include four major categories:

1. Compressed Fibre Jointing Sheets / Gaskets
2. Gland Packing & Ropes
3. Fabric Expansion Joints
4. Technical and Heat Resistance Textiles

All our products are manufactured in-house at our manufacturing facilities located in Plot No.44, MIDC- Talaja Industrial Area, Palekhurd Panvel, Raigad - 410208, which enables us to have an effective control over the manufacturing process and to ensure consistent quality of our products. Our manufacturing unit is strategically located at Panvel providing us with strategic and operational advantages and has a well-equipped laboratory, modern technology and testing equipments with supporting environment and facilities, to ensure that the products conform to the pre-determined standards.

Our Company is in the process of setting up an additional manufacturing facility at Anand Nagar, MIDC Ambarnath, admeasuring 4000. Sq meter for expansion of business and manufacture of all types of "Asbestos Free" Gaskets sheets for Automotive, Steel and other process unit.

We are a customer centric company, constantly striving to create value for our customers through products offered and committed deliveries. Our products are used by some well known industrial houses in Petrochemical, Pharmaceutical, Power, Steel, Cement, Chemical, Gas and Process industry.

We have a dedicated in house Research & Development Laboratory ("R&D") which undertakes rigorous testing and quality management. Our dedicated R&D team tests the raw materials procured and the products manufactured. The R&D team is instrumental in maintaining the high quality of our products.

At present, we cater to domestic markets as well as international markets, limited to Gulf and Middle East countries. The breakup of revenue for Fiscal 2022, Fiscal 2021 and Fiscal 2020 on the basis of Domestic Sale and Export Sale are stated as below:

(Rs.in lakhs)

Particulars	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Amount	%	Amount	%	Amount	%
Revenue from Domestic Sale	2027.67	96.94	1,610.43	94.38	1879.46	93.74
Revenue from Export Sale	64.05	3.06	95.87	5.61	125.44	6.26

Our revenue from operations was ₹ 2091.72 lakhs, ₹ 1706.30 lakhs and ₹ 2004.90 Lakhs for Fiscal 2022, 2021 and 2020, respectively. Our EBITDA was ₹ 76.56 Lakhs, ₹ 138.27 lakhs and ₹ 258.33 Lakhs for Fiscal 2022, 2021 and 2020, respectively. Our restated profit after tax was ₹ 5.78 Lakhs, ₹ 36.80 Lakhs and ₹ 113.31 Lakhs for Fiscal 2022, 2021 and 2020, respectively.

Impact of Covid -19 on our business operations

Since the onset of the COVID-19 pandemic in March 2020, our Company has responded swiftly by implementing various processes to ensure our operations continue seamlessly. In 2020, cases of the novel corona virus started rapidly increasing in India, which led the government of India to impose a nationwide lockdown. The spread of Covid-19 and its recent developments have had and might continue to have repercussions across local, national and global economies. However, with reference to Government notification no. *DMU/2020/CR.92/DisM-1 dated: 2nd May 2020*, we had applied for Self certification/Permission for commissioning of our factory under the lock in condition as per the guidelines mentioned in the above notification as we were engaged in the manufacturing of products that were being supplied to essential industries such as Pharmaceuticals, Oil and Gas Industries etc and hence our operations were not shut down during the pandemic. We continued our operations after making arrangements to meet the government's requirements on sanitization, people movement and social distancing.

We have experienced sustained growth in recent years and continued to do so during the Covid-19 pandemic. We consider that our swift response and proactive steps taken have mitigated the impact of COVID- 19 pandemic on our business and personnel thus far. The future impact of COVID-19 or any other severe communicable disease on our business and results of operations depends on several factors including those discussed in "Risk Factors" on page 20 of this Draft Prospectus. We are continuously monitoring the economic conditions and have outlined certain measures to combat the pandemic situation and to minimize the impact on our business. For more details, see "Risk Factors" Affecting Results of Operations and Financial Condition – COVID-19 Pandemic on page 20 of this Draft Prospectus.

Our Competitive Strengths



Focusing on multiple end - user industries



We have over the last few years introduced new product categories which have diverse end- use applications. Initially we started with manufacturing Gland Packing product. Subsequently, we started manufacturing Compressed Jointing Sheets and Gaskets, Fabric Expansion Joints etc. which has helped us to diversify into more end-user industries such as Petrochemical, Power, Cement, Steel, Pharmaceutical industries. This expansion has facilitated a diversified product portfolio and helped us create a demand for our products across various industries. We believe that a diversified portfolio enables us to achieve significant scale of production and help increase our market penetration. We believe our approach of presenting a large portfolio of products for diversified customer applications has helped us enhance our growth and will continue to increase our brand loyalty among our customers.

Quality Products

Ours is a quality conscious organisation, which believes in manufacturing quality products. Our management team is focused on ensuring minimum defects in our products and quality certifications are only an endorsement of the robust systems and processes developed with years of experience and knowledge. Our products and processes undergo regular quality checks to ensure minimal defects. We have been accredited with ISO 45001: 2018 (Occupational Health and Safety Management Systems), ISO 9001: 2015 (Quality Management System), ISO 14001: 2015 (Environmental Management System).

Experienced Management Team

The Promoter and the management team of our Company have significant industry experience and have been instrumental in the consistent growth of our Company's performance. Our Promoters have over two decades of business experience and has been instrumental in the consistent growth of our Company's performance. Our Management Team led by our Managing Director and whole time directors are function oriented and focused on their respective tasks, while being collaborative. Our management team's collective experience and capabilities enable us to understand and anticipate market trends; manage our business operations and growth, leverage customer relationships and respond to changes in customer preferences. We will continue to leverage on the experience of our management team and their understanding of the industry we operate in, to take advantage of current and future market opportunities. For further details, refer to the chapter titled "Our Management" on page 95.

Long Term relationship with clients and repeat business

We enjoy a good reputation and despite increase in competition, have received repeat orders from several of our prominent clients. Our clients are spread across the country and overseas and have been associated with us for a long term period. We constantly try to address our clients' requirements which help us to maintain a long-term working relationship with our clients and improve our retention strategy. The portfolio of our existing clients gives us a competitive advantage in gaining new clients and increasing our business.

In house R&D for innovation and cost improvements

Our company is a quality and research driven company with continuous efforts focused on quality checks, analysis and developing latest process improvements and production cost efficiencies. Our Manufacturing facility has a dedicated R&D laboratory for testing the raw materials employed in the manufacturing process and the finished products so manufactured. There are multiple checks at different levels of production to make sure quality of the products is not compromised. We believe that the product and process innovations will be key factor going forward and our continued investment in R&D will better prepare us to take advantage of any future opportunities.

Our Business Strategy

Our key strategies will be to:

Continuing innovation, Expansion, technology upgrade and cost improvements

Continuous innovation in our manufacturing process, technology upgrades and cost improvement is a norm at our Company. Our qualified and technical teams try and ensure minimal wastage and extract out maximum from the resources we have at our disposal, be it the raw materials, be it the energy or the premises we operate in, optimum utilisation is what we believe will help us in innovating process improvements, thereby reducing costs. Additionally, we use the latest technology and machinery to ensure best quality and competitive product output and regularly upgrade our technology and machineries used in the manufacturing process in order to keep up market standards. Further, with a view to strategically expand our operations, we are in the process to set up a manufacturing unit at Anand Nagar, MIDC



Ambernath, admeasuring 4000. Sq meter for manufacturing all types of “Asbestos Free” Gaskets sheets for Automotive, Steel Industry.

Working Capital Augment

Our business operations are working capital intensive. In order to effectively expand our products portfolio, Business arenas and also increase in the number of verticals along with the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital. We believe there is growing trend towards Sealing, Packing and Insulated products. Along with the increasing demand, we expect to increase our order taking appetite thus increasing our volumes, revenues and scale of operations and we will require substantial working capital for the same. It is hence our strategy to raise funds from this issue and augment our fund based working capital capabilities. We believe that companies with high liquidity on their balance sheet would be able to better exploit market opportunities. Hence, in order to effectively operate and maximize our capacity utilization at the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital. For further details of the proposed working capital requirements of the company, kindly refer to the Chapter titled “Objects of the Issue” on page no. 57 of this Draft Prospectus.

Maintain our focus to strengthen customer relationship

We expect to maintain our focus on customer relationships. We believe that there are significant business opportunities from existing as well as potential customers as we diversify our services and build upon the existing relationships. We believe that this strategy would increase our customer specific knowledge and develop closer relationships with these customers.

Continue to recruit, retain and train qualified personnel

We believe that our growth depends on our ability to hire and retain experienced, motivated and well-trained members of our management and employee teams. We intend to continue to recruit, retain and train qualified and skilled personnel. We plan to empower management leadership to excel by decentralizing operational decision-making to those who best know the business needs of each plant, and to encourage the building of our knowledge base by sharing best practices from different locations.

Further invest in Research and Development driving sustainable growth

With the growing scale of business, our Company intends to continue to drive our R&D initiatives towards the development of innovative products. We strongly believe in identifying and satisfying customer needs, delivering the products at competitive prices is our goal and the very essence of our efforts to constantly grow. The R&D activities are directed at bettering our present products offered as well as products under innovation. Our R&D team also strives to study different verticals in the industry and identify product inefficiencies and help in value addition to the customers. Our Company believes that its focus on R&D will result in development of high quality products and processes which in turn will give our Company a significant boost in brand value.

Building - up as a Professional Organization

We believe for a business to grow beyond a certain size, it needs to be run as a professional organization. No organization runs in a promoter-centric or an unorganized manner can become a large business. We believe in transparency, commitment and coordination in our work, with all our stakeholders. We have the right blend of experienced and dynamic team and staff which takes care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business.

Details of our Products

Our Company manufactures a wide range of products which can be classified into following categories:

1. Compressed Fibre Jointing Sheets (“Non asbestos Jointing Sheets”)/ Gaskets

Compressed Non-Asbestos Jointing Sheet fills the space between two or more matting surfaces, generally to prevent leakage from or into the joint objects while under compression. These sheets are manufactured in different design based on industrial usage, budget, chemical contact and physical parameters. Our company manufactures different types of jointing sheet for High/ Medium/Low- Pressure/Temperature and Acidic environments and as per client specifications.

Gaskets are fabricated from these jointing sheets by using a Gasket cutting machine.



2. Gland Packing & Ropes

Gland packing is a flexible material configured into rings that are inserted into stuffing box to seal the rotating part of the equipment, such as a pump or a valve. These packings come in a variety of shapes and sizes and are supplied as per client requirements.



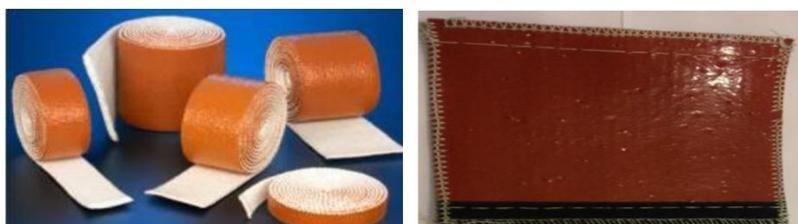
3. Fabric Expansion Joints

Fabric Expansion Joints are used to insulate and avoid mechanical loads for piping and duct systems. They act as vibration isolators and shock absorbers. Our Company manufactures fabric expansion joints of any size and shape, from a range of proven standard constructions or designed especially for defined application.



4. Technical and Heat Resistance Textiles

Our company manufactures variety of products that are designed to protect hoses, wires and cables from the hazards of high heat and occasional flames. These products are tailor –made based on the requirements of clients.

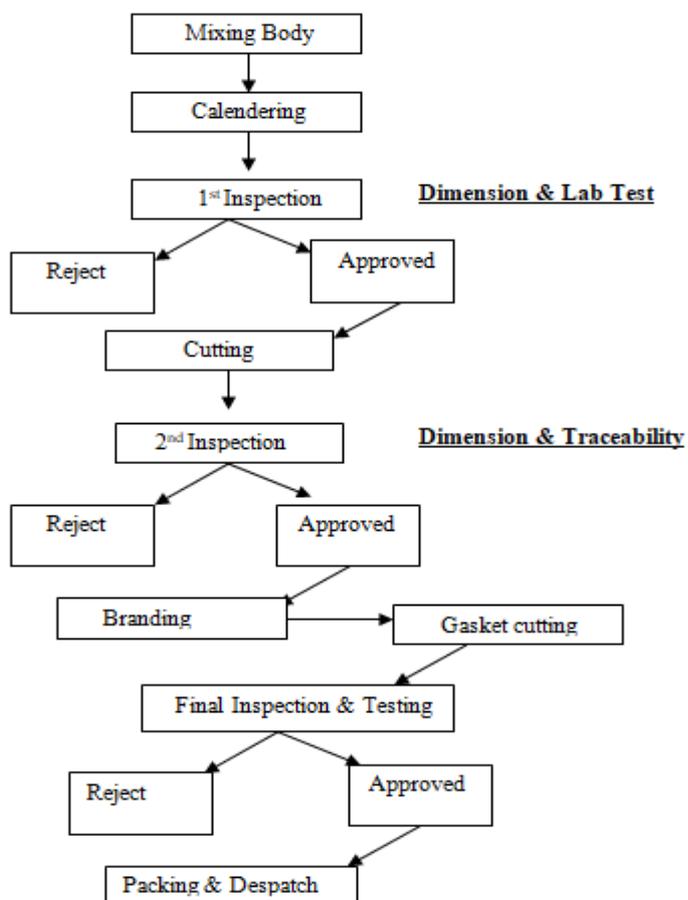


Our Company supplies the above products to various industries such as Petrochemical, Pharmaceutical, Power, Steel, Cement, Chemical, Gas and Process industry.

Manufacturing Process

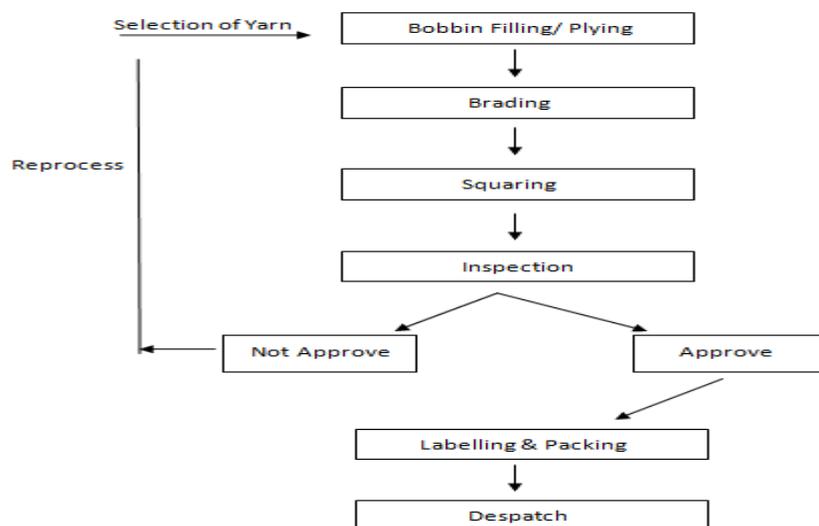
The following diagram sets forth information on the major steps involved in the manufacturing of the following:

Manufacturing process of Compressed Fibre Jointing Sheets and Gaskets



1. The major raw materials used for manufacturing of Compressed Fibre Jointing Sheets and Gaskets involves Rubber, Fibre and Filler which are procured from Domestic as well International markets and further the raw materials are mixed together as per the desired quantity to carry out the Calendering process.
2. The mixing body is compressed by passing out between two or more rollers under controlled conditions of time, temperature and pressure. After the whole process, the product is sent in In-house Lab department for checking the dimensions and quality.
3. After the 1st level of Inspection, if the product fails to meet the required level of standard then the product is rejected and the product that meets the standard proceeds to the next stage where these are then cut into the required sizes and moved for 2nd level of Inspection for checking the dimensions and traceability.
4. Once the products meet the level of standards, it is passed on for Branding on the Branding Machine. After this process, the gaskets are cut into the required sizes by using Gasket cutting machine.
5. The final products are then sent for final Inspection and Testing for quality checks. After this step, the approved product is then sent for packing and dispatch.

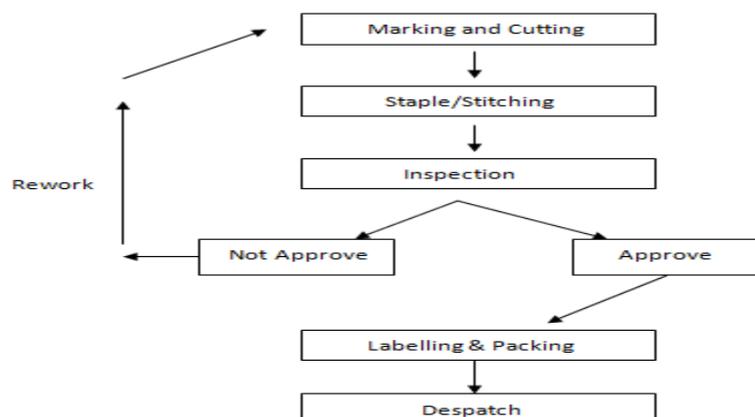
Manufacturing process of Gland Packing and Ropes



1. Yarn is the only raw material used for manufacturing Gland Packing and Ropes. The same is procured by our company from domestic and international markets.
2. After procuring the Yarn, it is sent for Plying / Bobbin filling process, wherein the yarn is wound on the carrier spindles, and these spindles are then put on the machine. This process is carried out by using Bobbin machinery.
3. After this process, the product is moved on for Brading by using a Brading machine.
4. Once the product is braided, it is further passed through a squaring machine that ensures that the product manufactured is of uniform size.
5. The final product is then sent for Inspection for quality checks to make sure the products meet the requirements. If any of the products does not meet the required standards, then they are again reprocessed for production and the approved products are sent for labeling and packing and then further sent for dispatch.

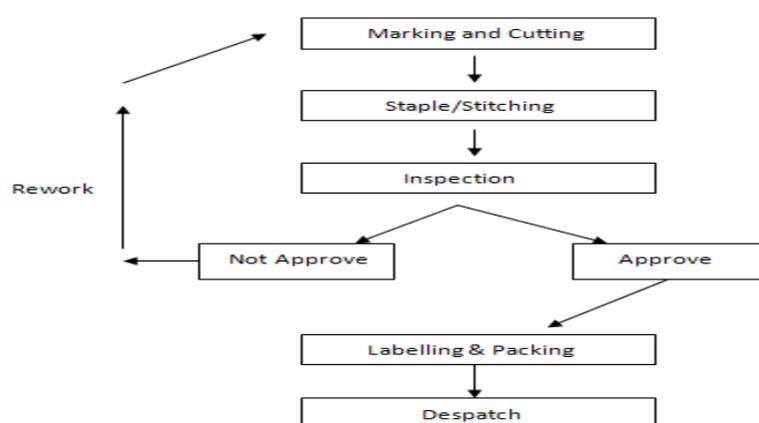
The same process is being followed for manufacturing ropes. However, the product is not passed through a squaring machine.

Manufacturing process of Fabric Expansion Joint



1. The major raw materials used for manufacturing of Fabric Expansion Joints involve Ceramic Blankets, High Temperature Resistance Fabrics, Stainless Steel Wire Mesh, Polytetrafluoroethylene Foil. These raw materials are majorly imported from International markets such as China, European countries.
2. The raw materials are marked and cut as per the approved drawings. Further, the materials are arranged in layers and are stitched as per the required specifications with the help of stitching machine or manually.
3. The stitched materials are again arranged in layers and stapled with the help of stapler machine.
4. After this, the products is sent for Inspection for size check, quality etc. If any of the products does not meet the required standards, then they are again reworked for production and the approved products are sent for labeling and packing and then further sent for dispatch.

Manufacturing process of Technical and Heat Resistance Textiles



1. The raw materials utilized in this manufacturing process are not standard in nature. It is dependent on the requirement of client's. The same is procured from the domestic and international markets.
2. The raw materials are marked and cut as per the approved drawings. Further, the materials are arranged in layers and are stitched as per the required specifications with the help of stitching machine or manually.
3. The stitched materials are again arranged in layers and stapled with the help of stapler machine.
4. After this, the products is sent for Inspection for size check, quality etc. If any of the products does not meet the required standards, then they are again reworked for production and the approved products are sent for labeling and packing and then further sent for dispatch.

Plant and Machinery

As on date of Draft Prospectus, we have following major Plant and Machinery at our Manufacturing facility:

Sr.No	Name of Plant & Machinery	Quantity
1.	Calender Machine Unit	01
2.	Hydraulic Power Pack	01
3.	Ploughsher Mixer	01
4.	Sigma Mixer	01
5.	Spike Mixer	03
6.	Rubber Mill	01
7.	Printing Machine	01
8.	Steam Boiler Unit	01
9.	Chiller Unit	01
10.	Cooling Tower	03

Sr.No	Name of Plant & Machinery	Quantity
11.	Solvent Recovery Unit	01
12.	Dust Collector	01
13.	Air Compressor	03
14.	Weighing Balance	08
15.	Lathe Machine	01
16.	Welding Machine	02
17.	Drilling Machine	01
18.	Hand Drilling Machine	01
19.	Bench Grinder	02
20.	Hydro Pressure Test Equipment	01
21.	Hot Air Dryer	01
22.	SWG Metal Ring Making M/C	02
23.	Hydraulic Power Press	01
24.	Mechanical Power Press	02
25.	Gasket Cutting Machine	01
26.	Metal Cutter – Cut off SAW	01
27.	Marble Cutter	01
28.	Hand Grinder	01
29.	Stapler Machine	01
30.	Sewing Machine	04
31.	Braiding Machine	22
32.	Squaring Machine	04
33.	Rope Coiling Machine	03
34.	Bobbin Filling Machine	05
35.	Tape Weaving Machine	02
36.	Rope Twisting Machine	02
37.	Tensile Strength Testing Machine	01
38.	Tensile Strength Testing Machine Digital	01
39.	Compressibility & Recovery Testing Machine	01
40.	Stress Relaxation Apparatus	01
41.	Gas Leak Test Apparatus	01
42.	Air Permeability Tester	01
43.	De-Mattia Flex Tester	01
44.	Digital Muffle With 12 Sensor	01
45.	Pin Hole Tester	01
46.	Pressure Test Apparatus	01
47.	P ^h Meter	01
48.	Digital Thermometer	02
49.	Muffle Furnace	01
50.	Temp. Withstandability Test Furnace-12 Probe	01
51.	Laboratory Oven	01
52.	Oven For Flexibility Test	01
53.	Oil Absorption Bath	01
54.	Solvent Extraction Apparatus	01
55.	GSM Cutter	01
56.	Seiving Apparatus	01
57.	Digital Balance	03
58.	Vernier Caliper	04
59.	Vernier Caliper -Digital	01
60.	Micrometer	02
61.	Micrometer-Digital	01

Utilities and Infrastructure Facilities

The major raw material required for our business are:



Raw materials

The principal raw materials used by our Company for manufacturing process are:

1. Rubber
2. Fiber
3. Filler
4. Yarn
5. Ceramic Blankets
6. Stainless Steel Wire Mesh
7. Temperature Resistance Fabrics
8. Polytetrafluoroethylene Foil

We have been able to secure timely supply of required raw material for our existing activity. Raw material is easily available in the domestic market as well as international markets and no difficulty is envisaged in sourcing of the raw material.

Power

Our manufacturing unit has adequate supply of power from Maharashtra State Electricity Distribution Co. Ltd. with a sanctioned load of 250 KW. The same is adequate for our current and proposed capacities.

Water

Our manufacturing unit has adequate water supply. The Company sources its water supply from Maharashtra Industrial Development Corporation which is used for our manufacturing processes and other general purposes.

Collaboration

Our Company has so far not entered into any technical or financial collaboration agreement with the third party.

Export Obligations

Our company does not have any export obligations, however we supply to different countries. The Total exports of the company for the last two fiscal years i.e. 2021-2022 and 2020 -2021 was ₹ 64.05 lakhs and ₹ 95.87 lakhs respectively.

Competition

Our Company is mainly engaged in the business of manufacturing industrial sealing and packing products. Having being in this business for more than a decade, we have developed in-house expertise and our clients have been satisfied with our products. There are many other local and/or unorganized manufacturers, who may be manufacturing products which are similar to ours, but our quality specifications are difficult to emulate. However, as we enter a much larger growth phase, there will be many domestic and international manufacturers whom we may compete with, including any new entrants. As our Company enter newer markets, we are likely to face additional competition from those who may be better capitalized, have longer operating history, have greater brand presence, and better management than us. If we are unable to manage our business it might impede our competitive position and profitability. We intend to continue competing using the resources available at our disposal to capture more market share and adding more resources as required, including human resources to manage our growth in an optimal way.

Marketing Strategy

The efficiency of the marketing network is critical to the success of our business. Our success lies in the strength of our relationship with the customers who have been associated with our company. Our company has a team who does marketing for our products. Our marketing team constantly explores the local and national markets for placing its products and to earn recognition, in terms of quality, pricing and awareness about our Company. Our Sales and Marketing strategy focuses on enhancing revenue streams by leveraging established relationships and building competitive advantage through a wide range of product offerings.



Manpower

Our Company believes that our ability to maintain growth depends on our strength in attracting, training, motivating and retaining employees. As of July 31, 2022, we have **29** employees on our payroll. Apart from this, we also engage contact laborers to facilitate our manufacturing operations based on demand.

The details of manpower employed on payroll of the Company are as under:

Particulars	No. of employees (July 31, 2022)
Management	4
Factory Staff/Worker Staff	14
Other Office/Administrative Staff	11
Total	29

Capacity and capacity utilization

Our capacity and capacity utilisation for the last three financial years is tabulated below:

Particulars	Installed Capacity (per annum)	Capacity utilized for the Year ending March 31,		
		2022	2021	2020
Fibre Jointing Sheets/Gaskets	2,16,000 Kgs	60%	58%	50%
Gland Packing	96,000 Kgs	50%	40%	35%
Fabric Expansion Joint	24,000 sq mtrs	30%	25%	20%

Intellectual Property

The following trademark is used by our company:

Sr. no.	Particulars of the mark	Applicant	Trademark Application Number	Class	Trademark Type	Status
1.		Rex Sealing and Packing Industries Pvt Ltd*	3370661	17	Device	Registered
2.		Rex Sealing and Packing Industries Pvt Ltd*	3370662	1	Device	Registered

* Our Company is yet to make application to the concerned authority for registering the trademark under the current name of the company pursuant to conversion into a public limited company.

Our Immovable Properties

Owned

Sr. No.	Particulars of the Property	Usage
1.	Unit No. A - 207, 2 nd Floor, A Wing, Byculla Service Industries Premises Co-Operative Society Ltd, Sussex Road, Dadoji Kondeo Road, Byculla(E), Mumbai - 400027 Area: 1165 sq ft	Used as Registered office

Leased

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Leave and License Agreement executed on March 01, 2021	Village Vavanje, Taluka Panvel, District Raigad,	Security Deposit: ₹ 1,10,000/-	A period of 3 years commencing	Used for Godown purpose

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration/ License Fee/Rent	Tenure/ Term	Usage
	between Mrs. Pasha Liyakat Ali (“ Licensor ”) and our Company (“ Licensee ”).	Maharashtra, bearing Survey No. 111, Hissa No.1B/2, Part -A (Front side) Area: 25ft.X100ft	Rent of ₹ 25,000/- per month	from March 01, 2021	
2.	Leave and License Agreement executed on March 01, 2021 between Mr. Liyakat Ali Amir Ali (“ Licensor ”) and our Company (“ Licensee ”)	Village Vavanje, Taluka Panvel, District Raigad, Maharashtra, bearing Survey No. 111, Hissa No.1B/2, Part -B Area: 25ft.X100ft	Security Deposit: ₹ 1,10,000/- Rent of ₹ 25,000/- per month	A period of 3 years commencing from March 01, 2021	Used for Godown purpose
3.	Lease Agreement executed on April 10, 2007 between Maharashtra Industrial Development Corporation (“ Lessor ”) and Mr. Parasrampuriah Vinodkumar Motilal (“ Confirming Party ”) and or Company (“ Lessee ”)*	Plot No.44, MIDC-Taloja Industrial Area, Palekhurd Panvel, Raigad - 410208 Area: 1000 sq.meter	Lease Premium ₹ 3,80,000/-	A period of 95 years commencing from March 01, 1993	Used for Factory purpose
4.	Leave and License Agreement executed on June 01, 2022 between Nasim Bano Shaikh (“ Licensor ”) and our Company (“ Licensee ”)	Gala no 1,2,3 and 4, Village Vavanje, Taluka Panvel, District Raigad, Maharashtra, Area : 1600 sqft	Security Deposit: ₹ 1,70,000/- Rent of ₹ 1,70,000/- per month	A period of 11 months commencing from June 01, 2022	Used for Godown purpose

*An Agreement of Lease dated March 26, 1993 was entered between the Lessor and the Confirming Party, at the request of the Confirming Party, the lessor granted its consent and permission to the Confirming Party for transfer and assignment of interest under or the benefit of the Agreement to the Lease dated March 26, 1993 to Lessee.



KEY INDUSTRY REGULATIONS AND POLICIES

In carrying on our business as described in the section titled “Our Business” on page 72 of this Draft Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, kindly refer to the chapter titled “Government and Other Key Approvals” beginning on page 154 of this Draft Prospectus.

Our Company is a manufacturer and exporter of Sealing packing and Insulation products including Jointing Sheets, Fabric Expansion Joints, Gland packing & Ropes, High Temperature resistant textiles etc.

Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye-laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us:

A. INDUSTRY RELATED LAWS

The Factories Act, 1948

The Factories Act, 1948 ("Factories Act") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

Indian Boilers Act, 1923

The Indian Boilers Act, 1923 (the “Act”) consolidates and amends the law relating to steam boilers. This Act was enacted with the objective of providing for the safety of life and property of persons from the dangers of steam boilers and for achieving uniformity in registration and inspection during the operation and maintenance of boilers in India. The owners of boilers which are not exempted from this Act are required to register their boilers by applying to the Inspector with prescribed documents, following which the Inspector shall fix a date within 30 days of receipt and shall inspect the boiler and documents. If the Inspector is satisfied that the boiler has not suffered any damage during its transit from the place of manufacture to the site of erection, and with the documents, he may register the boiler and assign a register number thereto and also issue a certificate to the owner authorising the use of the boiler for a period not exceeding 12 months at a pressure he thinks is fit and in accordance with the regulations made under this Act. The certificate may be renewed upon expiry or if there has been an accident with the boiler.

The Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time (MSMED Act) seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides that where an enterprise is engaged in the manufacturing and production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, the classification of an enterprise will be as follows: i. where the investment in plant and machinery does not exceed twenty-five Lakh rupees shall be regarded as a micro enterprise; ii. where the investment in plant and machinery is more than twenty-five Lakh rupees but does not exceed five crore rupees shall be regarded as a small enterprise; iii. Where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees shall be regarded as a medium enterprise. The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. While it is compulsory for medium enterprises engaged in manufacturing to submit the memorandum, the submission of the memorandum by micro and small enterprises engaged in manufacturing is optional. The MSMED Act

defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty five days from the day of acceptance of goods. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council ("Council"). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

The MSMED act provides for appointment and establishment of National Board by the Central Government for MSME enterprise with its head office at Delhi. The Central Government may from time to time for the purpose of promotion and development of the MSME and to enhance the competitiveness in the sector organise such programmes, guidelines or instructions, as it may deem fit. In case of any offences under this act, no court inferior to that of Metropolitan Magistrate or Chief Metropolitan Magistrate shall try the offence under this act.

The Maharashtra Fire Prevention and Life Safety Measures Act, 2006

The Maharashtra Fire Prevention and Life Safety Measures Act, 2006 passed by the State Government of Maharashtra makes more effective provisions for the fire prevention and life safety measures in various types of buildings in different areas in the State of Maharashtra for imposition of fee, Constitution of special fund called the 'Fire Protection Fund'.

B. REGULATIONS GOVERNING LABOUR LAWS

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of 'five-year continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days' wages for every completed year of service with the employer. The employer shall arrange to pay the amount of gratuity within thirty days from the date it becomes payable to the person to whom the gratuity is payable. An employer who contravenes, or defaults in complying with, any of the provisions of this Act or made there under shall be punished with imprisonment for a minimum term of 3 months but which may extend to one year, or with fine being minimum Rs. 10,000/- but which may extend to Rs. 20,000/-, or with both.

The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (“PW Act”) is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (“MW Act”) came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorised to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

Child Labour (Prohibition and Regulation) Act, 1986

The Child Labour (Prohibition and Regulation) Act, 1986 (the “CLPR Act”) seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. It also prescribes hours and periods of work, holidays, the requirement of keeping a register, etc for the establishments falling under this act. A shop or a commercial establishment is included under the definition of an “establishment” according to Section 2(iv) of the CLPR Act.

The Employees’ Compensation Act, 1923

The Employees’ Compensation Act, 1923 (“EC Act”) has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

Equal Remuneration Act, 1976

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

Maternity Benefit Act, 1961

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that the get paid leave for a specified period before and after child birth. It provides, inter-alia, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

Trade Union Act, 1926

The Trade Union Act, 1926 governs the disputes which arise/ may arise between employers and workmen or between workmen and workmen, or between employers and employers in connection to their employment, nonemployment and the terms of employment or the conditions of labour. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

C. TAX RELATED LAWS

Income-tax Act, 1961

The Income-tax Act, 1961 (“IT Act”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not



resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, and Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrollment from the assessing authority.

The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 is applicable to our Company.

Central Goods and Services Tax Act, 2017

The Central Goods and Services Tax Act, 2017 (“CGST Act”) regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services. Under GST, SGST is a tax levied on Intra State supplies of both goods and services by the State Government and will be governed by the SGST Act. CGST will also be levied on the same Intra State supply but will be governed by the Central Government.

The Maharashtra Goods and Services Tax Act, 2017 is applicable to the company.

Integrated Goods and Services Tax Act, 2017

Integrated Goods and Services Tax Act, 2017 (“IGST Act”) is a Central Act enacted to levy tax on the supply of any goods and/or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to the IGST Act.

D. ENVIRONMENTAL LAWS

Our Company is also required to obtain clearances under the Environment (Protection) Act, 1986, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Air (Prevention and Control of Pollution) Act, 1981, before commencing its operations. To obtain an environmental clearance, a no-objection certificate from the concerned state pollution control board must first be obtained, which is granted after a notified public hearing, submission and approval of an environmental impact assessment (“EIA”) report and an environment management plan (“EMP”).

Water

Legislations to control water pollution are listed below:

The **Water (Prevention and Control of Pollution) Act, 1974** prohibits the discharge of pollutants into water bodies beyond a given standard, and lays down penalties for non-compliance. The Water Act also provides that the consent of the

State Pollution Control Board must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent

The **Water (Prevention and Control of Pollution) Cess Act, 1977** provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

Air

Legislations to control air pollution are listed below:

The **Air (Prevention and Control of Pollution) Act, 1981** requires that any individual or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. National Ambient Air Quality Standards (NAAQS) for major pollutants were notified by the Central Pollution Control Board in April 1994.

E. OTHER LAWS

Competition Act, 2002

The Competition Act, 2002 (“Competition Act”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (“Competition Commission”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

The Companies Act, 2013

The Companies Act, 2013 (“Companies Act”), has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Companies Act deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors.

The Indian Stamp Act, 1899

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not ‘duly stamped’ cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

The Maharashtra Stamp Act, 1958

The Maharashtra Stamp Act, 1958 is expedient to consolidate and amend the law relating to stamps and rates of stamp duties in the State of Maharashtra and prescribes the different rates of duties on the instrument falling within the various descriptions set-out in Schedule I of the Maharashtra Stamp Act, 1958.

Transfer of Property Act, 1882

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 (“T.P. Act.”). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are

capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price, paid or promised to be paid.
- Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognizes several forms of mortgages over a property.
- Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

The Registration Act, 1908

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 (“Contract Act”) codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Specific Relief Act, 1963

The Specific Relief Act is complimentary to the provisions of the Contract Act and the T.P. Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

The Trademarks Act, 1999

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of



registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire. The penalty for general infringement of copyright is imprisonment of maximum 3 (three) years and a fine of up to Rs.2,00,000/- (Rupees Two Lakhs Only).

Importer Exporter Code

Every entity in India engaged in any activity involving import/export is required to obtain an Importer Exporter Code ("IEC") unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority.

In addition to the above, Our Company is also required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations. Our Company is also amenable to various central and state labour laws and tax laws.

Foreign Exchange Management Act, 1999

Foreign investment in manufacturing sector is governed by the provisions of the FEMA read with the applicable regulations. The Department of Industrial Policy and Promotion ("DIPP"), Ministry of Commerce and Industry has issued 'Consolidated FDI Policy Circular of 2020' ("FDI Policy") which consolidates the policy framework on Foreign Direct Investment ("FDI"), with effect from October 15, 2010. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till October 15, 2020. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. The foreign investment in our Company is governed inter alia by the FEMA, as amended, FEMA Regulations, as amended, the FDI Policy issued and amended by way of press notes, and the SEBI FPI Regulations

Currently, 100% FDI is permitted under the automatic route in the companies which are engaged in manufacturing activities

However, an entity 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, can invest only under the Government route



HISTORY AND CERTAIN CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as Rex Sealing And Packing Industries Private Limited on August 10, 2005 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing Registration number 155252. The status of the Company was changed to Public limited and the name of our Company was changed to Rex Sealing and Packaging Industries Limited vide Special Resolution dated April 07, 2022. The fresh certificate of incorporation consequent to conversion was issued on August 01, 2022 by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U28129MH2005PLC155252.

Our Company has (7) Shareholders as on the date of filing of this Draft Prospectus. For further information, please refer the chapter “*Capital Structure*” on page no. 48 of this Draft Prospectus.

OVERVIEW

Rex Sealing and Packing Industries Limited, is a manufacturer and exporter of Sealing packing and Insulation products including Jointing Sheets, Fabric Expansion Joints, Gland packing & Ropes, High Temperature resistant textiles etc.

Our business was initiated in the Year 1963 by our founding Promoter, Mr. Manjunath Nayak under the name “M/s Rex Industries” for manufacturing of Gland Packing. Initially we started as a manufacturing business at a very small scale. Thereon, in the Year 1997, the business was further expanded by second generation of the family, Mr. Niranjan Nayak and later joined by Mr. Naresh Nayak in the Year 2001. Further, with a vision to corporatize our business and cater to the organized players in the markets, our Company was incorporated in the Year 2005.

Our Promoters have more than two decades of experience in this industry. Our business operations have been led by our Promoter and assisted by our experienced Management Team who has contributed to the growth of our business operations. The team is backed by a core technical team that has substantial experience in manufacturing and technical know-how. For further details, please refer “Our Management” on page 163 of this Draft Prospectus.

Our Company is an ISO 9001 & 14001 Certified company. We follow British Standard (“BS”), Deutsches Institut für Normung (DIN) - German Standard, ASTM (“American Standard”), and American Standard Soc of Mechanical Engineers (“ASME”) quality standards for our range of products.

Our diversified products include four major categories:

1. Compressed Fibre Jointing Sheets / Gaskets
2. Gland Packing & Ropes
3. Fabric Expansion Joints
4. Technical and Heat Resistance Textiles

MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Major Events / Milestone / Achievements
2005	▪ Incorporation of our Company as Rex Sealing And Packing Industries Private Limited
2008	▪ Commenced Manufacturing of Gaskets at Manufacturing Unit located at Taloja Industrial Area.
2009	▪ Commenced Manufacturing of Fabric Expansion Joints at Manufacturing Unit located at Taloja Industrial Area.
2012	▪ Turnover of our Company crossed ₹ 10 crore mark
2018	▪ Turnover of our Company crossed ₹ 20 crore mark
2022	▪ Conversion from Private Company to Public Limited Company

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:



1. To carry on in India or abroad the business to manufacture, produce, process, prepare, fabricate, market, convert, commercialize, grade, develop, design, press, stitch, mould, flex, export, import, job-work, buy, sell, stretch, stamp, shape, smell, emboss, print, laminate and to act as an agent, broker, adatia, consultant, advisor, representative, marketing man, collaborator, franchisers, stockists, distributor or otherwise, to deal in all shapes, sizes, varieties, capacities, description and dimensions of asbestos and non-asbestos gaskets, jointing sheets, rubber sheets, metallic and non-metallic sheets; insulation packings and insulation products, like tapes, ropes, yarn, fibres, cloth made from asbestos Teflon, silica: gland packings made from cotton, jute, asbestos, ceramic, silica, PTFE, glass fibre, aramid, graphite and other combination of fibres; and other related items and parts, fixtures, fittings, accessories, consumables, components and ingredients used for sealing of liquids, gases, solvent, acids and all other related items invented in the future.
2. To promote, establish, acquire and run or otherwise carry on the business of manufacturers of and dealers in bellows of metallic and non-metallic materials used for expansion, joints and high temperature areas.

The main objects and objects incidental and ancillary to the attainment of the main objects, as contained in the Memorandum of Association, enable our Company to carry on its existing business.

CHANGES IN THE REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

Date of Change	Changed From	Change to	Reason for change
December 23, 2013 ⁽¹⁾	Plot No 44 Taloja Industrial area, Village Pale Khurd, Taluka Panvel, Dist. Raigad, Maharashtra-410208	A-207, 2nd Floor, Plot No.711 A, Byculla Services Industries, D K Road, Ghodapdeo, Byculla (East) Maharashtra, Mumbai 400027.	Administrative Reasons

⁽¹⁾The company has approved change of registered office in Extra-ordinary general meeting dated December 18, 2013 for change the registered office to "A-207, 2nd Floor, Plot No.711 A, Byculla Services Industries, D K Road, Ghodapdeo, Byculla (East) Maharashtra, Mumbai 400027"

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE INCORPORATION

Sr. No.	Date of Shareholder's Resolution	Nature of Amendment
1.	February 21, 2022	The Reclassification of unissued Preference Shares aggregating to ₹ 20,00,000 (Twenty lakhs) divided into 2,00,000 (Two lakh) equity shares of Rs. 10 each into Equity Share Capital of the Company and subsequent increase in Authorised capital of the company from ₹ 1,00,00,000 (One crore) to ₹ 2,20,00,000 (Two crore twenty lakh) divided into 22,00,000 (Twenty two lakh) equity shares of ₹ 10 each pursuant to resolution passed at Extra Ordinary General Meeting held on February 21, 2022
2.	April 07, 2022	Upon Conversion from Private Company to Public Company, the name of our company was changed from 'Rex Sealing And Packing Industries Private Limited' to 'Rex Sealing And Packing Industries Limited' consequent to which a certificate of Incorporation dated August 01, 2022 was issued by the Registrar of Companies, Mumbai.
3.	April 07, 2022	Alignment of the Objects clause of Memorandum of Association in line with Companies Act, 2013 pursuant to resolution passed at the Extra Ordinary General Meeting held on April 07, 2022.
4.	August 03, 2022	The Authorized Share Capital of ₹ 2,20,00,000 (Two Crore Twenty Lakh Only) divided into 22,00,000 (Twenty two Lakh) Equity Shares of ₹ 10 each was increased to ₹ 2,50,00,000 (Two Crore Fifty Lakh) divided into 25,00,000 (Twenty Five Lakh) Equity Shares of ₹ 10 each pursuant to Resolution passed at the Extra Ordinary General Meeting held on August 03, 2022.

LOCK-OUT AND STRIKES

There have been no instances of strikes or lock-outs at any time in our Company.

SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERSHIPS



Our Company has not entered into any Significant Financial or Strategic Partnerships except as entered in its normal course of business.

TIME/COST OVERRUN IN SETTING UP PROJECTS

As on date of this Draft Prospectus, there has been no time and cost overruns in the Company.

LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS, CAPACITY/ FACILITY CREATION OR LOCATION OF PLANTS

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creations, and location of our manufacturing facilities, see “Our Business on page 67 of this Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS

As on date of this Draft Prospectus, our Company has not made any defaults / re-scheduling of its borrowings.

CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS

There have been no changes in the activities of our Company since its date of incorporation which may have had a material adverse effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

ACQUISITION OF BUSINESSES / UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

OUR HOLDING COMPANY

As on the date of this Draft Prospectus, our Company does not have any Holding Company.

OUR SUBSIDIARIES

As on the date of this Draft Prospectus our Company does not have any subsidiary.

OUR ASSOCIATES

As on the date of this Draft Prospectus our Company does not have any associate companies.

JOINT VENTURES

As on the date of this Draft Prospectus, there are no joint ventures of our Company.

SHAREHOLDERS’ AGREEMENT

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Prospectus.

OTHER AGREEMENTS

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Draft Prospectus.

AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTERS OR ANY OTHER EMPLOYEE OF THE COMPANY



There are no agreements entered into by key managerial personnel or a Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

AGREEMENTS WITH STRATEGIC PARTNERS, JOINT VENTURE PARTNERS AND/OR FINANCIAL PARTNERS AND OTHER AGREEMENTS

Our Company has not entered into any other subsisting material agreements including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company

GUARANTEES GIVEN BY PROMOTERS

As on the date of this Draft Prospectus, no guarantee has been issued by Promoters except as disclosed in the “*Financial Indebtedness*” on page no. 148 of this Draft Prospectus.

COLLABORATION

Our Company has not entered into any Collaboration as on the date of this Draft Prospectus.

INJUNCTION OR RESTRAINING ORDERS

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



OUR MANAGEMENT

BOARD OF DIRECTORS

As on the date of this Draft Prospectus, our Board consists of Six (6) Directors including one (1) Managing Director, two (2) Whole Time Director, one (1) Non - Executive Director and two (2) Non - Executive Independent Director. Further, we have three (3) Women Director on our Board.

The details of the Directors are as mentioned in the below table:

Sr. No.	Name, Designation, Address, Date of Birth, Occupation, Term and DIN	Nationality	Age (in years)	Other Directorships
1.	<p>Naresh Nayak</p> <p>Designation: Managing Director</p> <p>Date of Birth: May 20, 1978</p> <p>Address: Ram Nam Mansion, Flat No. 20, 4th Floor Cinema Road Near Metro Cinema Marine Lines Mumbai Maharashtra 400020.</p> <p>Date of appointment: Upon Incorporation</p> <p>Date of Appointment at Current Designation: August 03, 2022</p> <p>Current Term: Five years from August 01, 2022 and subject to retire by rotation.</p> <p>Occupation: Business</p> <p>DIN: 00347765</p>	Indian	43	Nil
2.	<p>Niranjan Nayak</p> <p>Designation: Whole Time Director and Chief Financial Officer</p> <p>Date of Birth: September 09, 1974</p> <p>Address: Flat No. 17, Anil Chambers, Behind Metro Cinema, Cinema Road, Dhobi Talao, Marine Lines, Mumbai, Maharashtra - 400020.</p> <p>Date of appointment: Upon Incorporation</p> <p>Date of Appointment at Current Designation: August 03, 2022</p> <p>Current Term: Five years from August 01, 2022 and subject to retire by rotation.</p> <p>Occupation: Business</p> <p>DIN: 02606926</p>	Indian	47	Nil
3.	<p>Manjunath Nayak</p> <p>Designation: Whole Time Director</p> <p>Date of Birth: February 13, 1940</p>	Indian	82	Nil

Sr. No.	Name, Designation, Address, Date of Birth, Occupation, Term and DIN	Nationality	Age (in years)	Other Directorships
	<p>Address: 17, Ramnam Mansion, Cinema Road, Churchgate Marine Lines Mumbai - 400020</p> <p>Date of appointment: Upon Incorporation</p> <p>Date of Appointment at Current Designation: August 03, 2022</p> <p>Current Term: Five years from August 01, 2022 and subject to retire by rotation</p> <p>Occupation: Business</p> <p>DIN: 00347731</p>			
4.	<p>Meeta Nayak</p> <p>Designation: Non-Executive Director</p> <p>Date of Birth: May 02, 1942</p> <p>Address: Flat No. 17, Anil Chambers, Behind Metro Cinema, Cinema Road, Dhobi Talao, Marine Lines, Mumbai, Maharashtra 400020.</p> <p>Date of appointment: Upon Incorporation</p> <p>Date of Appointment at Current Designation: August 01, 2022</p> <p>Current Term: Liable to retire by rotation</p> <p>Occupation: Business</p> <p>DIN: 02606944</p>	Indian	80	Nil
5.	<p>Mayuri Bipinbhai Rupareliya</p> <p>Designation: Non-Executive Independent Director</p> <p>Date of Birth: November 18, 1992</p> <p>Address: 402, Giriraj Palace, New Collegewadi Street - 2, Behind Punjab Honda - (I), Rajkot Gujarat India 360005.</p> <p>Date of appointment as Additional Director: August 08, 2022</p> <p>Date of Appointment at Current Designation: August 19, 2022</p> <p>Current Term: Five years from August 08, 2022 not liable to retire by rotation.</p> <p>Occupation: Business</p> <p>DIN: 09696908</p>	Indian	29	Nil



Sr. No.	Name, Designation, Address, Date of Birth, Occupation, Term and DIN	Nationality	Age (in years)	Other Directorships
6.	<p>Priyanka Moondra Rathi</p> <p>Designation: Non-Executive Independent Director</p> <p>Date of Birth: January 13, 1993</p> <p>Address: Plot No. 16/2 B, Bhatti Ki Bavri, Chopasni Housing Board, Jodhpur, Rajasthan 342008.</p> <p>Date of appointment as Additional Director: August 08, 2022</p> <p>Date of Appointment at Current Designation: August 19, 2022</p> <p>Current Term: Five years from August 08, 2022 not liable to retire by rotation.</p> <p>Occupation: Business</p> <p>DIN: 09485101</p>	Indian	30	<ul style="list-style-type: none"> Uma Polymers Limited CFF Fluid Control Private Limited

BRIEF PROFILE OF OUR DIRECTORS

Naresh Nayak, aged 43 years is the founding Promoter of our company and is designated as the Managing Director of our Company. He was appointed on the Board of our Company since incorporation. He has completed his Bachelor's degree in Computer Engineering from Mumbai University in the year 2003. He has more than 17 years experience in various businesses like Chemicals, Gland Packing, Gasket, Industrial Bellows etc and has vast exposure in the fields of management, finance, accounting, information technology and legal. He is a partner in M/s Rex Industries. His strong leadership skill, comprehensive understanding of financial management principles, entrepreneurship with commercial acumen and excellent management skill allow the business to grow by way of developing the new clients whilst maintaining its existing customer base.

Niranjana Nayak, aged 47 years is the founding Promoter of our company and is designated as Whole Time Director and Chief Financial Officer of our Company. He was appointed on the Board of our Company since incorporation. He has completed his Bachelor of Mechanical Engineering from Shivaji University in the year 1997. He is a partner in M/s Rex Industries. He has been integral part of our company and responsible for formulating various strategies and providing guidance for its implementation in our Company. He is instrumental in devising and implementing the overall strategy and growth of our Company and in maintaining cordial relations. He is also been responsible for strategizing the management and expansion of the business from time to time.

Manjunath Nayak, aged 82 years is the founding Promoter of our Company and is designated as Whole Time Director on the Board of our Company. He was appointed on the Board of our Company since incorporation. He has completed his Bachelor of Arts from Mumbai University in the Year 1965. He has completed Master of Arts from Mumbai University in the year 1968. He has more than two decades of experience in the Industrial Packaging and Sealing Industry. The expertise of Manjunath Nayak will play the crucial role of understanding the specific needs of the clientele. He has been guiding force behind the growth and business strategy of our Company.

Meeta Nayak, aged 80 years is the Non-Executive Director of our Company. She was appointed on the Board of our Company since incorporation. Currently she holds the position of Non-Executive Director in the company. She has completed Bachelors in Arts from University of Bombay. As a Non-Executive Director of the Company. She is responsible for providing her expertise for growth and expansion of our Company.

Mayuri Bipinbhai Rupareliya, aged 29 years is a Non-Executive Independent Director of our Company. She was appointed on the Board of our Company w.e.f. August 08, 2022. She holds Bachelors of commerce degree from Gujarat



University and is also a member of Institute of Company Secretary Course since 2017. She has earlier worked with Gujarat Petronet Limited, Gandhinagar(GSPC Group) and Rupal Patel and Associates(Ahmedabad) and at present is working as an Independent Practicing Company Secretary. She has wide exposure of secretarial functions in medium sized enterprises, listed and unlisted companies. She has an experience of more than 3 years including internship in the field of Secretarial, Takeovers, mergers, Income Tax, GST Practitioner, Compliances and Legal work.

Priyanka Moondra Rathi, aged 30 years is a Non Executive Independent Director of our Company. She was appointed on the Board of our Company w.e.f. August 08, 2022. She has completed Bachelors of Commerce degree from Jai Narayan Vyas University in the year 2013 and is a member of Institute of Company secretaries of India since 2017. She has completed Diploma in MBA in Finance from International Business Management Institute, Berlin, Germany in the year 2020 and is currently pursuing Certified Public Accountants course. She has worked with Adani Power Limited, Ahmedabad-Gujarat, Rathi Eduserve & Corporate Consultancy Services Private Limited, Jodhpur-Rajasthan, Sigma Minerals Limited, Jodhpur-Rajasthan and currently she is working with Transmissions International India Private Limited Rajasthan as an Internal Controller & Company Secretary, Finance department and is an Independent Director in Uma Polymers since February 2022. She has an experience of more than 4 years including internship in the field of Secretarial, Compliances and Legal work.

CONFIRMATIONS

As on the date of this Draft Prospectus:

1. Except as stated below; none of the Directors of our Company are related to each other as per Section 2 (77) of the Companies Act, 2013.
 - Meeta Nayak is the spouse of Manjunath Nayak.
 - Naresh Nayak is the son of Meeta Nayak and Manjunath Nayak.
 - Niranjana Nayak is the son of Meeta Nayak and Manjunath Nayak.
 - Niranjana Nayak is the brother of Naresh Nayak.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1) (III) of SEBI (ICDR) Regulations.
5. None of the Directors are categorized as a fugitive economic offender.
6. None of the Promoters or Directors has been or is involved as a promoter or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

DETAILS OF BORROWING POWERS

Pursuant to a special resolution passed at an Extra-Ordinary General Meeting of our Company held at a shorter notice on August 19, 2022 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 may exceed in the aggregate, its paid up capital and free reserves and security premium (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.

REMUNERATION/COMPENSATION/COMMISSION PAID TO EXECUTIVE DIRECTORS

The compensation package payable to the Executive Directors from the date of appointment as resolved in the Extra-Ordinary General Meeting held on August 03, 2022 is stated hereunder:



Sr. No.	Name of Director	Remuneration and other perks approved upto (₹ in lakhs)
1.	Naresh Nayak	150.00
2.	Niranjan Nayak	150.00
3.	Manjunath Nayak	150.00

Further, Remuneration paid for F.Y. 2021 - 22, the directors have been paid gross remuneration as follows:

(₹ in lakhs)

Sr. No.	Name of Director	Remuneration paid (₹ in lakhs)
1.	Naresh Nayak	67.00
2.	Niranjan Nayak	67.00
3.	Manjunath Nayak	67.00
4.	Meeta Nayak	18.00

PAYMENT OR BENEFIT TO NON - EXECUTIVE NON - INDEPENDENT DIRECTORS AND NON - EXECUTIVE INDEPENDENT DIRECTORS OF OUR COMPANY

Pursuant to the resolution passed by the Board of Directors of our Company at their meeting held on August 08, 2022, our Non Executive Independent directors are entitled to receive a sitting fee of ₹ 5,000 for attending Board meeting or committee meeting thereof.

SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY

Our Articles of Association do not require our Directors to hold any qualification shares. The details of the shareholding of our Directors as on the date of this Draft Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of Pre-Issue Share Capital (%)
5.	Naresh Nayak	4,80,000	25%
6.	Niranjan Nayak	4,80,000	25%
7.	Manjunath Nayak	4,80,000	25%
8.	Meeta Nayak	4,79,970	24.99%
Total		19,19,970	99.99%

INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoter, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Interest in the Property of our Company

Except as stated in the heading titled "Properties" under the chapter titled "Our Business", beginning on page no. 67 of this Draft Prospectus, none of our Directors have interest in any property acquired or proposed to be acquired of our Company or by our Company.

Interest in Promotion of the Company

Except, as stated in the chapter titled "Our Promoter and Promoter Group" beginning from page.107 none of our Directors are interested in the promotion of our company as on the date of this Draft Prospectus.

Interest as Member of a Company or Firm



Except as stated in this chapter titled “Our Management”, the section titled “Related Party Transaction – Note – 26 of Annexure V of Restated Financial Statements” and the chapter “Our Business” on page nos.95, 114 and 67 of this Draft Prospectus respectively, our Directors do not have any other interest in our business.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of Director	Date of Appointment/ Change	Reason for change
Priyanka Moondra Rathi	August 19, 2022	Regularized as Non-Executive Independent Director
Mayuri Bipinbhai Rupareliya	August 19, 2022	Regularized as Non-Executive Independent Director
Priyanka Moondra Rathi	August 08, 2022	Appointed as an Additional Non-Executive Independent Director
Mayuri Bipinbhai Rupareliya	August 08, 2022	Appointed as an Additional Non-Executive Independent Director
Meeta Nayak	August 03, 2022	Re-designated as Non-Executive Director
Niranjan Nayak	August 03, 2022	Re-designated as Whole Time Director and Chief Financial Officer
Naresh Nayak	August 03, 2022	Re-designated as Managing Director
Manjunath Nayak	August 03, 2022	Re-designated as Whole Time Director

CORPORATE GOVERNANCE

In addition to the applicability of provisions of Companies Act, 2013 with respect to corporate governance, provisions of the SEBI (LODR) Regulations, 2015 have also been complied with, to the extent applicable to our Company.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Draft Prospectus, our Board consists of Six (6) Directors including one (1) Managing Director, two (2) Whole Time Director, one (1) Non – Executive Director and two (2) Non - Executive Independent Director. Further, we have three (3) Women Director on our Board.

The following committees have been constituted for compliance with Corporate Governance requirements:

- A. Audit Committee;
- B. Stakeholders Relationship Committee;
- C. Nomination and Remuneration Committee;

A. AUDIT COMMITTEE

Our Board has constituted the Audit Committee vide Board Resolution dated August 08, 2022 in accordance with the Section 177 of the Companies Act, 2013. The audit committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Priyanka Moondra Rathi	Non-Executive Independent Director	Chairman
Mayuri Bipinbhai Rupareliya	Non-Executive Independent Director	Member
Niranjan Nayak	Whole Time Director and Chief Financial Officer	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

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



- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 1. 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
 2. Changes, if any, in accounting policies and practices and reasons for the same.
 3. Major accounting entries involving estimates based on the exercise of judgment by management.
 4. Significant adjustments made in the financial statements arising out of audit findings.
 5. Compliance with listing and other legal requirements relating to financial statements.
 6. Disclosure of any related party transactions.
 7. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/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.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- 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.



- 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.
- To review the functioning of the Whistle Blower mechanism.
- 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.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise if it considers necessary.
5. 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 meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

Meeting Of Audit Committee and Relevant Quorum

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

B. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Our Board has constituted the Stakeholders' Relationship Committee vide Board Resolution August 08, 2022 in accordance with Section 178 of the Companies Act, 2013. The Stakeholder's Relationship Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Priyanka Moondra Rathi	Non-Executive Independent Director	Chairman
Mayuri Bipinbhai Rupareliya	Non-Executive Independent Director	Member
Meeta Nayak	Non-Executive Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

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

C. NOMINATION AND REMUNERATION COMMITTEE

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution August 08, 2022 in accordance with section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Priyanka Moondra Rathi	Non-Executive Independent Director	Chairman
Mayuri Bipinbhai Rupareliya	Non-Executive Independent Director	Member
Meeta Nayak	Non-Executive Director	Member

The Company Secretary of our Company acts as the Secretary to the Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. 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. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

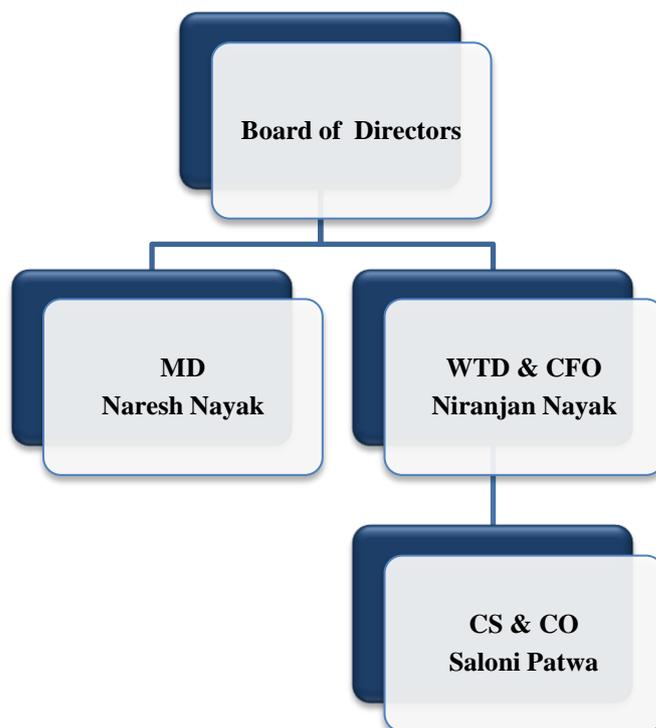
Meeting of Nomination and Remuneration Committee and Relevant Quorum

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

POLICY ON DISCLOSURES & INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of Regulation 8 and 9 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 Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue. Our Board is 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.

ORGANIZATIONAL STRUCTURE



Terms & Abbreviations

WTD	-	Whole Time Director
C.F.O.	-	Chief Financial Officer
C.S & C.O.	-	Company Secretary and Compliance Officer
MD	-	Managing Director

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.

Name of Employee	Designation	Date of Appointment	Compensation for last Financial Year (₹ in Lakhs)	Qualification	Name of Previous Employer(s)	Total Years of Experience
Niranjan Nayak	Chief Financial Officer	August 01, 2022	67*	Bachelor of Mechanical Engineering	Nil	17 Years

Name of Employee	Designation	Date of Appointment	Compensation for last Financial Year (₹ in Lakhs)	Qualification	Name of Previous Employer(s)	Total Years of Experience
Saloni Patwa	Company Secretary and Compliance Officer	August 08, 2022	Nil	<ul style="list-style-type: none"> Company Secretary MBA (Financial Services) B.com (Acc. Hons.) 	<ul style="list-style-type: none"> DBS Bank 	3 Years

* Niranjan Nayak is appointed as CFO w.e.f. August 01, 2022. In FY 2021-22, he was paid remuneration as Director. For details of his profile including remuneration please refer – “Our Management” on page no. 95 of this Draft Prospectus

Other Notes –

- The aforementioned KMP’s are on the payrolls of our Company as permanent employees.
- Further, none of our KMPs is forming part of related parties as per the Accounting Standard 18. For details, please see the chapter titled “Financial Information- Note – 26 of Annexure V of Restated Financial Statements” on page no. 114 of this Draft Prospectus.

Relationship amongst the Key Management Personnel

None of the aforementioned KMPs is related to each other.

Shareholding of the Key Management Personnel

None of our Key Managerial Personnel hold Equity Shares as on the date of this Draft Prospectus, except as mentioned below:

- Niranjan Nayak holds 4,80,000 shares as on the date of this Draft Prospectus.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company.

Interest of Key Managerial Personnel

None of our Key Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

Loans taken by Key Management Personnel

None of our Key Managerial Personnel have any outstanding loan from our Company as on the date of this Draft Prospectus.

Arrangement or Understanding with Major Shareholders/ Customers/ Suppliers

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel was selected as a member of our senior management.

Bonus or Profit Sharing Plan of the Key Management Personnel



There is no profit sharing plan for the Key Managerial Personnel. Our Company makes payment for salaries, insurance and bonus payments, in accordance with their terms of appointment.

Contingent and Deferred Compensation Payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form part of their remuneration.

Employee Share Purchase and Employee Stock Option Plan

Presently, we do not have ESOP/ESPS scheme for employees.

Payment or Benefit to our Key Managerial Personnel

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Prospectus, or is intended to be paid or given, other than in the ordinary course of their employment.

Changes in our Key Managerial Personnel in the last Three Years from the Date of Filing of This Draft Prospectus

The changes in our Key Managerial Personnel during the three years immediately preceding the date of filing of this Draft Prospectus are set forth below.

Name	Designation	Date of Appointment / Change in Designation	Reason
Saloni Patwa	Company Secretary and Compliance Officer	August 08, 2022	Appointment
Niranjan Nayak	Chief Financial Officer	August 01, 2022	Appointment

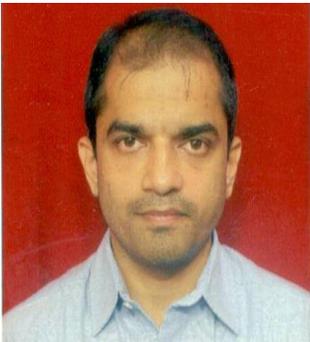
OUR PROMOTER AND PROMOTER GROUP

THE PROMOTERS OF OUR COMPANY ARE:

Naresh Nayak
Niranjan Nayak
Manjunath Nayak

As on the date of this Draft Prospectus, our Promoters hold 14,39,970 Equity Shares in aggregate, representing 74.99% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure –Shareholding of our Promoters" beginning on page no. 48 of this Draft Prospectus.

The details of our Promoter are as under:

Naresh Nayak	
	<p>Naresh Nayak, aged 43 years is the founding Promoter of our company and is designated as the Managing Director of our Company. He was appointed on the Board of our Company since incorporation. He has completed his Bachelor's degree in Computer Engineering from Mumbai University in the year 2003. He has more than 17 years experience in various businesses like Chemicals, Gland Packing, Gasket, Industrial Bellows etc and has vast exposure in the fields of management, finance, accounting, information technology and legal. He is also a partner in "Rex Industries". His strong leadership skill, comprehensive understanding of financial management principles, entrepreneurship with commercial acumen and excellent management skill allow the business to grow by way of developing the new clients whilst maintaining its existing customer base.</p>
	Date of Birth: May 20, 1978
	Address: Ram Nam Mansion, Flat No. 20, 4 th Floor Cinema Road Near Metro Cinema Marine Lines Mumbai Maharashtra 400020.
	PAN: ADSPN8319C
	Passport No.: T4641201
	Driver's License No.: MH01 19970006457
	Aadhaar Card No.: 7722 5777 9473
	Name of Bank: State Bank of India
	Bank A/c No.: 00000010043828009
	Other Interests:
	<ul style="list-style-type: none"> • Partner in "M/s Rex Industries"
Niranjan Nayak	
	<p>Niranjan Nayak, aged 47 years is the founding Promoter of our company and is designated as Whole Time Director and Chief Financial Officer of our Company. He was appointed on the Board of our Company since incorporation. He has completed his Bachelor of Mechanical Engineering from Shivaji University in the year 1997. He is also a partner in "Rex Industries". He has been integral part of our company and responsible for formulating various strategies and providing guidance for its implementation in our Company. He is instrumental in devising and implementing the overall strategy and growth of our Company and also is instrumental in maintaining cordial relations. He is also been responsible for strategizing the management and expansion of the business from time to time</p>
	Date of Birth: September 09, 1974
	Address: Flat No. 17, Anil Chambers, Behind Metro Cinema, Cinema Road, Dhobi Talao, Marine Lines, Mumbai, Maharashtra - 400020.
	PAN: ABVPN0083A
	Passport No.: R5688265
	Driver's License No.: MH01 19930008135
	Aadhaar Card No.: 3367 1790 6375
	Name of Bank: Kotak Mahindra Bank
	Bank A/c No.: 00000010043814256
	Other Interests:

	<ul style="list-style-type: none"> Partner in “M/s Rex Industries”
Manjunath Nayak	
	<p>Manjunath Nayak, aged 82 years is the founding Promoter of our Company and is designated as Whole Time Director on the Board of our Company. He was appointed on the Board of our Company since incorporation. He has completed his Bachelor of Arts from Mumbai University in the Year 1965. He has completed Master of Arts from Mumbai University in the year 1968. He has more than two decades of experience in the Industrial Packaging and Sealing Industry. The expertise of Manjunath Nayak will play the crucial role of understanding the specific needs of the clientele. He has been guiding force behind the growth and business strategy of our Company.</p>
	Date of Birth: February 13, 1940
	Address: 17, Ramnam Mansion, Cinema Road, Churchgate Marine Lines Mumbai - 400020.
	PAN: AAEPN4748N
	Passport No.: P8500833
	Driver’s License No.: NA
	Aadhaar Card No.: 9029 8569 5709
	Name of Bank: State Bank of India
	Bank A/c No.: 00000030164871682
	Other Interests: NIL

For the complete profile of Our Promoter educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “Our Management” on page no. 95 of this Draft Prospectus.

Other Undertakings and Confirmations

We confirm that the Permanent Account Number, Bank Account Number, Passport Number of our Promoters have been submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoter and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority.

Our Promoters has not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Change in Control of our Company

There has not been any change in the control of our Company in the five years immediately preceding 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, please refer the chapter “Our Management” beginning on page no. 95 of this Draft Prospectus.

Interest of Promoter

None of our Promoter / Directors have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts



in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “Capital Structure”, “Financial Information” and “Our Management” beginning on page nos. 48, 114 and 95 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

Interest of Promoter in the Promotion of our Company

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoter in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus except as mentioned under the section “Our Business –Properties” and “Financial Information” on page nos. 67 and 114 respectively, of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “Our Business” on page no. 67 of this Draft Prospectus our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Related Party Transactions

Except as stated in the “Financial Information- Annexure XXIV of Restated Financial Statements” on page no. 114 of this Draft Prospectus, our Company has not entered into related party transactions with our Promoters.

Common Pursuits of Promoters and Promoter Group Company

Our Promoters Naresh Nayak and Niranjana Nayak are Partners in M/s Rex Industries. Further, we have not signed any Non-Compete agreement with our Promoters and hence there exists no potential conflict of interest with the partnership firm or business interests of our Promoters or Promoter Group companies within the Industrial Packaging and sealing industry.

Payment of Amounts or Benefits to the Promoter or Promoter Group During the last two years

Except as stated in the Section titled “Financial Information- Annexure V of Restated Financial Statements” on page no. 114 of this Draft Prospectus, there has been no payment of benefits to our Promoter or Promoter Group during the two years preceding the date of this Draft Prospectus.

Material Guarantees

Except as stated in the “Financial Indebtedness” and “Financial Information” beginning on page nos. 148 and 114 of this Draft Prospectus respectively, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Prospectus.

OUR PROMOTER GROUP

In addition to our Promoters, the following individuals, companies, partnerships and HUFs, etc. form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations:

A. Natural Persons who are Part of the Promoter Group

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the following individuals form part of our Promoter Group:

Name of the Promoters	Name of Relative	Relationship with the Promoter
Naresh Nayak	Manjunath Venkatpathy Nayak	Father
	Meeta Nayak	Mother
	Kalpna Naresh Nayak	Spouse
	Adya Naresh Nayak	Daughter(s)
	Anaya Naresh Nayak	
	Niranjan Nayak	Brother(s)
	Vinayak Yeshwant Wagh	Spouse's Father
	Vasnati Vinayak Wagh	Spouse's Mother
	Bhavna Rajanekar	Spouse's Sister(s)
Niranjan Nayak	Manjunath Venkatpathy Nayak	Father
	Meeta Nayak	Mother
	Nivedita Niranjan Nayak	Spouse
	Advika Nirajan Nayak	Daughter(s)
	Naresh Nayak	Brother
	K Mahadev Kini	Spouse's Father
	Radhika Mahadev Kini	Spouse's Mother
	Mahesh Mahadev Kini	Spouse's Brother
	Ranjeeta Aashvin Kudava	Spouse's Sister
Manjunath Nayak	Late Venakathapathy Nakak	Father
	Late Sushila Venkatpathy Pathak	Mother
	Meeta Nayak	Spouse
	Niranjan Nayak	Son
	Naresh Nayak	
	Ramdas Venkathapathy Nayak	Brother
	Satyawati G Malya	Sister(s)
	Ramani G Nayak	
	Late. Vijayanayak	
	Sumana G Nayak	
	Shanti R Kamat	
	Kanti Shenoy	
	Manohar Rao	
	Vastala Rao	Spouse's Mother
	Shila Vaidya	Spouse's Sister

B. Companies / Corporate Entities Forming Part of the Promoter Group

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity/Company
1.	M/s Rex Industries
2.	M/s Vijaylaxmi Enterprises

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see the chapter titled "Capital Structure – Notes to Capital Structure" beginning on page no. 48 of this Draft Prospectus.

Companies with which the Promoter has disassociated in the last three years

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus.



Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the section titled "Risk Factors" and chapter titled "Outstanding Litigation and Material Developments" beginning on page nos. 20 and 149 of this Draft Prospectus.



GROUP COMPANY

In terms of the SEBI ICDR Regulations, the term —Group Company includes such companies (other than 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 also other companies as considered material by our Board. Pursuant to a resolution dated August 08, 2022, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Prospectus, group companies of our Company shall include (i) the companies with which there were related party transactions as disclosed in the Restated Financial Statements; or (ii) such other company as deemed material by our Board. For the purposes of (ii) above, in terms of the materiality policy, a company shall be considered material and disclosed as a group company if the companies which are members of the Promoter Group of our Company and with which there were transactions in the most recent financial year and any stub period for which restated audited financial statements are included in the Offer Documents, which individually or in the aggregate, exceed 10% of the total restated revenue of the Company for the latest restated annual financial statements.

Accordingly, based on the parameters outlined above, our Company does not have any group company as on the date of this Draft Prospectus.



DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since Incorporation.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the "record date" are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company



SECTION VII – FINANCIAL INFORMATION

FINANCIAL STATEMENT

To,
The Board of Directors,
Rex Sealing and Packing Industries Limited
A-207, 2nd Floor, Plot No.711 A, Byculla Services Industries
D K Road, Ghodapdeo, Byculla (East) Mumbai
Mumbai, Maharashtra 400027.

Dear Sir/Ma'am,

1. We have examined the attached Restated Financial Statement along with the Significant Accounting Policies and related notes of Rex Sealing and Packing Industries Limited (the 'Company') as at and for the period ended on March 31, 2022, March 31, 2021 and March 31, 2020 annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Prospectus / Prospectus (being collectively referred as "Offer Document") in connection with its proposed Initial Public Offer ("IPO") on the SME Platform of the BSE Limited ("BSE").
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of :
 - i) Section 26 of Part I of Chapter III to the Companies Act, 2013("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
 - iii) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Offer Document being issued by the Company for its proposed IPO of equity shares on SME Platform of the BSE Limited ("BSE"); and
 - iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("Guidance Note").
3. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the financial years ended on March 31, 2022, March 31, 2021 and March 31 2020, the 'Restated Statement of Assets and Liabilities' (**Annexure-I**) and "Restated Financial Statement of Cash Flows" (**Annexure III**) as on above dates, forming Part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon, which are the responsibility of the Company's management. The information has been extracted from the financial statements for the financial years ended on March 31, 2022, March 31, 2021 and March 31, 2020. The Financial Statements for the financial year ended on March 31, 2022, March 31,2021 and March 31,2020 is audited by M/s. RMJ & Associates LLP, Chartered Accountants, being the Statutory Auditor of the Company (Peer Review), which were approved by the Board of Directors as on that date and upon which we have placed our reliance while reporting.
4. In terms of Schedule VI (Part A) (11) (II) (i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of Rex Sealing and Packing Industries Limited, we, M/s. B B Gusani & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
5. Based on our examination, we report that:
 - a. The "Restated Financial Statement of Assets and Liabilities" as set out in **Annexure I**, Restated Financial Statement of Profit and Loss" as set out in **Annexure II**, "Restated Financial Statement of Cash Flows" as set out in **Annexure III** to this report, of the Company as at March 31, 2022, March 31, 2021 and March 31, 2020 is prepared by the Company and approved by the Board of Directors. These Restated Financial Statements have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were



appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.

- b. The Restated Financial Statements have been made after incorporating adjustments for:
- i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
 - ii. Prior period and other material amount in the respective financial years to which they relate.
 - iii. Extra-ordinary items, if any, that needs to be disclosed separately in the accounts requiring adjustments, which are stated in the Notes to Accounts as set out in Annexure V
- c. The audit reports on the financial statements of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 as referred in paragraph 3 above, expresses an unmodified qualified opinion and the emphasis of matter paragraph, which has been included in our report for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which do not give rise to any modifications.

Qualified Opinion:

It is not possible for the Company to give disclosures under the broad heads of 'raw material consumption and 'item wise bifurcation of inventory' as per requirement of Schedule III of the Act due to the system constraint and multiple product mix manufactured by the Company.

Emphasis of matter:

The Company had paid Rs. 95.80 Lakhs to Maharashtra Industrial Development Corporation (MIDC) for allotment of plot in Ambarnath Industrial Area for which physical possession is yet to be received by the Company. As informed by the management, the Company is making regular follow up with the MIDC for physical possession of plot. Further, we are informed, that the Company has not received any letter from MIDC as to cancellation of said plot from the MIDC.

Considering the above, in the opinion of the management, the Company will either receive physical possession of plot from MIDC or will get refund of entire amount in case of cancellation of physical possession of land by MIDC and hence, no provision is required to be made in the books of account for capital advance paid by the Company.

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

Annexure of Restated Financial Statements of the Company:-

- i. Statement of Equity Share Capital, as restated (Note – 3 of Annexure V)
- ii. Statement of Reserves & Surplus, as restated (Note - 4 of Annexure V)
- iii. Statement of Long Term Borrowings, as restated (Note- 5 of Annexure V)
- iv. Statement of Long Term Provisions, as restated (Note- 5.1 of Annexure V)
- v. Statement of Short Term Borrowings, as restated (Note- 6 of Annexure V)
- vi. Statement of Trade Payables, as restated (Note 7 of Annexure V)
- vii. Statement of Short Term Provisions, as restated (Note- 8 of Annexure V)
- viii. Statement of Other Current Liabilities, as restated (Note - 9 of Annexure V)
- ix. Statement of Property, Plant and Equipment, as restated (Note- 10 of Annexure V)
- x. Statement of Deferred Tax Assets, as restated (Note- 11 of Annexure V)
- xi. Statement of Long Term Loans and advances, as restated (Note- 12 of Annexure V)
- xii. Statement of Other Non Current Asset, as restated (Note- 13 of Annexure V)
- xiii. Statement of Inventories, as restated (Note- 14 of Annexure V)
- xiv. Statement of Trade Receivables, as restated (Note- 15 of Annexure V)
- xv. Statement of Cash and Bank Balances, as restated (Note - 16 of Annexure V)
- xvi. Statement of Short Terms Loans and Advances, as restated (Note- 17 of Annexure V)
- xvii. Statement of Other Current Assets, as restated (Note - 18 of Annexure V)
- xviii. Statement of Revenue from Operations, as restated (Note – 19 of Annexure V)
- xix. Statement of Other Income, as restated (Note – 20 of Annexure V)
- xx. Statement of Statement Of Materials Consumed, as restated (Note – 21 of Annexure V)

- xxi. Statement of Changes In Inventories, as restated (Note – 22 of Annexure V)
 - xxii. Statement of Employee Benefit Expenses, as restated (Note – 23 of Annexure V)
 - xxiii. Statement of Financial Cost, as restated (Note – 24 of Annexure V)
 - xxiv. Statement of Depreciation, as restated (Note – 10 of Annexure V)
 - xxv. Statement of Other Expenses, as restated (Note – 25 of Annexure V)
 - xxvi. Statement of Related Party Transactions, as restated (Note – 26 of Annexure V)
 - xxvii. Statement of Earnings Per Share, as restated (Note- 27 of Annexure V)
 - xxviii. Statement of Contingent Liabilities, as restated (Note - 28 of Annexure V)
 - xxix. Statement of Contractual Commitment, as restated (Note - 29 of Annexure V)
 - xxx. Statement of Particulars relating to P&L and Balance Sheet, as restated (Note - 30 of Annexure V)
 - xxxi. Statement of Employee Benefits, as restated (Note - 31 of Annexure V)
 - xxxii. Statement of Ratio Analysis, as restated (Note – 32 of Annexure V)
 - xxxiii. Statement of Other Statutory Information, as restated (Note – 33 of Annexure V)
 - xxxiv. Statement of Adjustments to Audited Financial Statements appearing in (Annexure VI)
 - xxxv. Statement of Accounting Ratios, as restated (Annexure – VII)
 - xxxvi. Statement of Capitalization, as restated (Annexure – VIII)
7. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to VIII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI).
- Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.
8. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For M/s. B B Gusani And Associates.,
Chartered Accountants
FRN: 140785W

CA.Bhargav B Gusani
Partner
Membership No: 120710
Place: Jamnagar
Date: September 17, 2022
UDIN: 22120710ASVECO4804

Annexure I - Restated Financial Statement of Assets and Liabilities

Rupees in Lakhs

Particulars	Note to Annexure V	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity and Liabilities				
1. Shareholder's fund				
a) Equity share capital	3	192.00	32.00	32.00
b) Reserves and surplus	4	632.30	737.67	700.87
Total equity		824.30	769.67	732.87
2. Non-current liabilities				
a) Long term borrowings	5	-	4.71	19.73
c) Long term provision	5.1	8.38	7.05	6.98
Total Non-current liabilities		8.38	11.75	26.72
3. Current liabilities				
a) Short term borrowing	6	377.71	334.24	417.62
b) Trade payables	7			
- Total outstanding dues of micro enterprises and small enterprises		37.86	18.65	17.11
- Total outstanding dues of creditors other than micro enterprises and small enterprises		156.68	127.25	128.56
c) Short term provisions	8	6.77	7.67	7.80
d) Other current liabilities	9	32.04	47.84	26.34
Total current liabilities		611.07	535.66	597.43
Total Equity and liabilities		1,443.75	1,317.08	1,357.01
Assets				
1. Non-Current assets				
a) Property, plant and equipments	10	180.83	184.90	205.64
b) Deffered Tax Asset	11	32.54	24.99	24.06
c) Long term loans and advances	12	106.51	146.49	124.95
d) Other Non current assets	13	18.53	26.89	27.72
Total Non-current assets		338.42	383.26	382.3715
2. Current assets				
a) Inventories	14	557.01	508.87	462.81
b) Trade receivables	15	472.44	351.64	449.68
c) Cash and bank balances	16	5.32	21.50	22.04
d) Short Term Loans & Advances	17	69.77	49.86	37.91
e) Other current assets	18	0.79	1.95	2.20
Total current assets		1,105.32	933.82	974.64
Total Assets		1,443.75	1,317.08	1,357.01

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Special Purpose Restated Financial Information appearing in Annexure V & Adjustments to Audited Financial Statements appearing in Annexure VI.

As per our report of even date attached.

In terms of our reports of even date
For B B Gusani & Associates
 Chartered Accountants
 FRN: 140785W

For and on behalf of board of directors
Rex Sealing & Packaing Industries
 CIN: U28129MH2005PTC155252

Bhargav B Gusani
 Proprietor
 Membership No. 120710
 Date : September 17, 2022
 Place : Jamnagar
 UDIN : 22120710ASVECO4804

Naresh Nayak
 Director
 DIN: 00347765
 Date : September 17, 2022

Niranjan Nayak
 Director
 DIN: 02606926

REX SEALING AND PACKING INDUSTRIES LIMITED

Annexure II - Restated Financial Statement of Profit and Loss

Rupees in Lakhs

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Revenue:				
Revenue from operations	19	2,107.68	1,714.43	2,005.83
Other income	20	8.00	11.87	11.87
Total Revenue		2,115.68	1,726.30	2,017.70
Expenses:				
Cost of material consumed	21	1,362.61	1,058.44	1,284.23
Changes in inventory of Work in progress & finished goods	22	(8.30)	16.18	(40.00)
Employee benefit expenses	23	336.17	313.29	277.31
Finance costs	24	38.02	46.21	56.45
Depreciation & amortisation cost	10	33.89	38.98	47.99
Other expenses	25	285.09	200.11	237.71
Total Expenses		2,047.48	1,673.22	1,863.68
Exceptional items		-	-	-
Net Profit before Tax		68.20	53.09	154.03
Less: Provision for Tax				
(a) Current Tax		22.83	15.19	39.82
(b) Deferred Tax		(7.56)	(0.93)	0.89
(c) Tax for earlier periods/ Excess/ Short Provisions		(1.69)	2.01	(0.01)
Total		13.58	16.28	40.70
Net Profit / (Loss) for the period after tax but before extra ordinary items		54.62	36.81	113.32
Extraordinary Items		-	-	-
Net Profit / (Loss) for the period after tax and after extra ordinary items available for appropriation		54.62	36.81	113.32
Earning Per Share:				
- Basic		2.85	1.92	5.90
- Diluted		2.85	1.92	5.90

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Special Purpose Restated Financial Information appearing in Annexure V & Adjustments to Audited Financial Statements appearing in Annexure VI.

As per our report of even date attached

In terms of our reports of even date

For B B Gusani & Associates

Chartered Accountants

FRN: 140785W

For and on behalf of board of directors

Rex Sealing & Packaing Industries

CIN: U28129MH2005PTC155252

Bhargav B Gusani

Partner

Membership No. 120710

Date : September 17, 2022

Place : Jamnagar

UDIN : 22120710ASVECO4804

Naresh Nayak

Director

DIN: 00347765

Date : September 17, 2022

Niranjan Nayak

Director

DIN: 02606926

Annexure III - Restated Financial Statement of Cash Flows

Rupees in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities			
Net profit before tax	68.20	53.09	154.03
Adjustments for :			
Depreciation	33.89	38.98	47.99
Loss/Profit on Sales of Fixed Asset	0.02	0.16	-
FA Written Off	1.96	-	0.57
Sundry Balances Written Back	(12.01)	(8.12)	-
Interest income	(1.47)	(1.08)	(1.46)
Finance cost	38.02	46.21	56.45
Reversal of Provision of Doubtful Debt	-	-	(1.82)
Provision for Deposit & Doubtful debts	25.01	1.43	-
Capital advance written off	23.61	-	-
Expenses for issue of shares & increased in Share capital	1.15	-	-
GST Credit written off	-	9.42	-
Operating profit before working capital adjustment	178.39	140.09	255.75
Adjustment for changes in working capital			
Trade and other payable	60.65	8.36	72.91
Other current liabilities	(15.80)	21.50	7.77
Trade and other receivables	(137.81)	96.60	155.27
Changes in inventories	(48.13)	(46.06)	(180.37)
Short-term provisions	2.16	(0.35)	-
Loans & Advances	1.77	(22.48)	7.14
Other current assets	0.88	1.49	(0.24)
Cash flow generated from operations	42.11	199.15	318.23
Direct taxes paid	(27.56)	(37.73)	(55.97)
Net cash flow from operating activities (A)	14.55	161.41	262.27
Cash flow from investing activities			
Net Investment in F.D	15.56	2.05	(3.02)
Interest Received	1.47	1.08	1.46
Sale Proceed	0.21	0.25	-
Purchase of plant and machinery	(32.02)	(18.66)	(17.22)
Net Cash flow from Investing activities (B)	(14.78)	(15.27)	(18.79)
Cash flow from financing activities			
Proceedings from Short term borrowings			
-Other than related party	43.46	(83.38)	(185.83)
-From related party	(4.71)	(15.03)	-
Interest paid	(38.02)	(46.21)	(56.45)
Expenses for Issue of Shares and Increase in Share Capital	(1.15)	-	-
Net cash flow From financing activities (C)	(0.41)	(144.62)	(242.28)
Increase/(Decrease) in cash and cash equivalents (A+B+C)	(0.64)	1.52	1.20
Cash and cash equivalent at the beginning of the year	5.65	4.13	2.93
Cash & cash equivalent at the end of the year	5.01	5.65	4.13

1. The Restated Statement of Cash Flows has been prepared under the indirect method as set out in AS 3, Statement of Cash Flows.

2. Figures in brackets represent outflow of cash and cash equivalents.

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Special Purpose Restated Financial Information appearing in Annexure V & Adjustments to Audited Financial Statements appearing in Annexure VI.

As per our report of even date attached

For and on behalf of
For B B Gusani & Associates
Chartered Accountants
FRN: 140785W

For and on behalf of board of directors
Rex Sealing & Packing Industries
CIN: U28129MH2005PTC155252

Bhargav B Gusani
Partner
Membership No. 120710
Date : September 17, 2022
Place : Jamnagar
UDIN : 22120710ASVECO4804

Naresh Nayak
Director
DIN: 00347765
Date : September 17, 2022

Niranjan Nayak
Director
DIN: 02606926

Annexure IV- Basis of preparation and Significant Accounting Policies

1 GENERAL INFORMATION

Rex Sealing and Packing Industries Private Limited was incorporated on August 10, 2005 and is a quality driven, environment friendly (ISO - 9001 & 14001) modern, hi-tech enterprise specialized in manufacturing industrial sealing and packing products.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation of Restated Financial Statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time and the Companies Act, 2013. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company. However, the Company is not small company as per Section 2(85) of the Companies Act and accordingly, the cash flow statement has been prepared by the Company.

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

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

The Restated financial information have been compiled from:

- a) the audited financial statement of the Company as at March 31, 2022 which have been approved by the Board of Directors at their meeting held on September 09, 2022
- b) the audited financial statement of the Company as at March 31, 2021 which have been approved by the Board of Directors at their meeting held on 01st Dec 2021.
- c) the audited financial statement of the Company as at March 31, 2020 which have been approved by the Board of Directors at their meeting held on 10th Nov 2020.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year

2.2 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the application of accounting policies, reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Management believes that the estimates and assumptions used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in the current and future periods.

2.3. Presentation & Disclosure of Financial Statements

All assets and liabilities have been classified as current & non-current as per company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

Based on the nature of products and services and time between acquisition of assets for rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current / non- current classification of assets and liabilities, period of 12 months have been considered as normal operating cycle.

2.4 Property, Plant & Equipments and Depreciation

- i. Property, plant and equipment are stated at cost of acquisition / construction less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all property, plant and equipment are measured using cost model
- ii. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset
- iii. Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipmer
- iv. Subsequent expenditure related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred
- v. Property, plant & equipment are eliminated from financial statements either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant & equipment are recognized in the statement of profit and loss in the year of occurrence
- vi. Depreciation

• Depreciation on property, plant and equipment is provided on a written down value (WDV) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013

• Depreciation methods, useful lives and residual values are reviewed periodically, including at the end of each financial year and adjusted prospectively.

• In case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded

2.5 Intangible Assets and Amortisation

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss, if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

2.6 Leases

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease

Rental expenses on assets obtained under operating lease arrangements are recognized on a straight-line basis as an expense in the Statement of Profit and Loss over the lease term of respective lease arrangement unless there is another systematic basis which is more representative of the time pattern of the lease

2.7 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the property, plant and equipment is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognized are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortization had no impairment loss been recognized in earlier years.

2.8 Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. There are no investment made by Company

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value of long term investments is made to recognise a decline, other than temporary, on an individual investment basis

Current investments are carried in the financial statements at lower of cost and market value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment

Long term investments which are expected to be realized within twelve months from the balance sheet date are presented under 'current investments' as 'current portion of long term investments' in accordance with the current / noncurrent classification of investments as per Schedule III Division I of the Companies Act, 2013.

The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the 'weighted average cost' method is followed.

2.9 Inventories

i. Raw materials and components, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost is determined on First In First Out / Weighted average / Specific Identification basis

ii. Work-in-progress / Finished goods are valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average / First In First Out / Specific Identification basis, conversion costs (i.e. costs directly related to the units of production), appropriate proportion of manufacturing overheads based on normal operating capacity and other costs incurred in bringing them to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale

iii. Stocks in trade (Traded goods) are valued at lower of cost and net realizable value. Cost includes direct materials valued on weighted average / First In First Out / Specific Identification basis, and other costs incurred in bringing them to their present location and condition.

iv. Scraps are valued at estimated net realizable value.

v. Cost of inventories is arrived at after providing for cost of obsolescence wherever considered necessary

2.10 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cheque on hand, bank balances and deposits with banks with maturity period less than 6 months (other than on lien).

For the purpose of statement of cash flow, cash & cash equivalent consists of cash & short term deposits; as defined above, net of bank overdraft as they are considered an integral part of the company's cash management

2.11 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

2.12 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized net of Goods and Services Tax wherever applicable.

Sales of goods: Sales of goods are recognized when significant risks and rewards of ownership of the goods have been transferred to the buyer which generally coincides with delivery and are recorded net of rebates, trade discounts and sales returns.

Interest income: Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Other Income: Income from investment and other income are accounted on accrual basis.

2.13 Foreign Currency Transactions

Initial recognition

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Conversion

As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items are carried at historical cost using exchange rate on the date of transaction.

Exchange Difference

Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost and treated in accordance with Accounting Standard 16- Borrowing Cos

2.14 Retirement and other Employee Benefit

• Short term employee benefit

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognised in the period in which the employee renders the related service

• Post employment

Defined Contribution Plan :

The defined contribution plan is post-employment benefit plan under which Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund and Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

Defined benefits Plans and Other Long term Benefits:

The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations and other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

The Company's liability is determined on the basis of actuarial valuation using Projected Unit Credit Method as at balance sheet date. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the Statement of Profit and Loss as income or expenses

2.15 Taxation

Current Tax :

Tax expenses comprises of current tax, deferred tax charge or credit, minimum alternative tax and adjustments of taxes for earlier years. Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred Tax :

Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date

Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each balance sheet date.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably/virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.16 Gratuity:

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity; a defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days (15/26) salary payable to the respective employee's salary for each completed year of service, with a maximum of 20,00,000.

Liabilities with regards to the plan are determined by actuarial valuation at each balance sheet date using the projected unit cost method. The Company recognizes the net obligation of the gratuity plan in the balance sheet as an asset or liability, respectively in accordance with Accounting Standard 15 (AS-15 Revised), "Employee benefits". As on March 31, 2017 the gratuity plan is funded. The discount rate is based on the Government securities yield. Actuarial gains and losses are recognized in the statement of profit and loss in the year in which they arise.

2.17 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

2.18 Earnings Per share

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings per share, the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Diluted earnings per share are calculated after adjusting effects of potential equity shares (PES). PES are those shares which will convert into equity shares at a later stage. Profit / loss is adjusted by the expenses incurred on such PES. Adjusted profit/loss is divided by the weighted average number of ordinary plus potential equity share.

2.19 Provision and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value (except retirement benefits) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

A Contingent Asset is neither recognised nor disclosed in the financial statements.

Annexure V - Restated Financial Information

3 Equity share capital

(a) Particulars	<i>Rupees in Lakhs</i>		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Authorised share capital*			
800,000 equity shares of Rs 10 each	220.00	80.00	80.00
2,00,000 6% Cumulative Redeemable preference shares of Rs.10/- each	-	20.00	20.00
22,00,000 equity shares of Rs 10 each	220.00	100.00	100.00
Issued subscribed & paid up share capital*			
320,000 equity shares of Rs 10/- each	192.00	32.00	32.00
320,000 equity shares of Rs 10/- each			
19,20,000 equity shares of Rs. 10/- each.			
Total	192.00	32.00	32.00

During the current financial year, the Company has reclassified unissued Preference Shares aggregating to Rs 20,00,000 (Twenty lakhs) divided into 2,00,000 (Two lakh) equity shares of Rs. 10 each into Equity Share Capital of the Company and subsequently increased the Authorised capital of the company from Rs 1,00,00,000 (One crore) to Rs 2,00,00,000 (Two crore twenty lakh) divided into 22,00,000 (Twenty two lakh) equity shares of Rs 10 each pursuant to ordinary resolution passed at Extra Ordinary General Meeting held on February 21, 2022.

Note :

- During the period under review the company has issue Bonus Shares in ratio of 5:1.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held at the time of commencement of winding-up.
- The Shareholders have all other rights as available to equity shareholders as per the provisions of The Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable

(b) The reconciliation of the numbers of shares outstanding and amount of share capital as at year end is set out below:

Particulars	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Nos	Rs	Nos	Rs	Nos	Rs
	Equity Shares					
Shares outstanding at the beginning of the year	320,000	32.00	320,000	32.00	320,000	32
Shares issued during the year (*)	1,600,000	160.00	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares Outstanding at the end of the period	1,920,000	192.00	320,000	32.00	320,000	32

(c) Name of Equity Shareholders holding more than 5% equity shares

Name of shareholders	No. of Shares held	% of Holding	% Change during the Year
Mr Manjunath Nayak			
March 31, 2022	480,000	0.25	-
March 31, 2021	80,000	0.25	-
March 31, 2020	80,000	0.25	-
Mr Meeta Nayak			
March 31, 2022	480,000	0.25	-
March 31, 2021	80,000	0.25	-
March 31, 2020	80,000	0.25	-
Mr Nirranjan Nayak			
March 31, 2022	480,000	0.25	-
March 31, 2021	80,000	0.25	-
March 31, 2020	80,000	0.25	-
Mr Naresh Nayak			
March 31, 2022	480,000	0.25	-
March 31, 2021	80,000	0.25	-
March 31, 2020	80,000	0.25	-

(d) Shares held by promoters at the end of the year March 31, 2022

Name of Promoter	Number of shares	% Change
Mr Manjunath Nayak		
March 31, 2022	480,000	-
March 31, 2021	80,000	-
March 31, 2020	80,000	-
Mr Nirranjan Nayak		
March 31, 2022	480,000	-
March 31, 2021	80,000	-
March 31, 2020	80,000	-
Mr Naresh Nayak		
March 31, 2022	480,000	-
March 31, 2021	80,000	-
March 31, 2020	80,000	-

(e) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

(f) There are shares allotted pursuant to contract without payment being received in cash or as fully paid up by way of bonus shares or any shares bought back. Further, there are no shares reserved for issue under options.

(g) No dividend is declared by the Company during the year ended March 31, 2022, March 31, 2021 and March 31, 2020

4 Reserves and Surplus

Particulars	<i>Rupees in Lakhs</i>		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Retained Earnings			
Opening balance	737.67	700.87	587.55
Profit during the year	54.62	36.81	113.32
Less: Utilised for Bonus Issue (Refer note below)	160.00	-	-
Closing balance (A)	632.30	737.67	700.87
General reserves			
Opening balance	-	-	-
Movement during the year	-	-	-
Closing balance (B)	-	-	-

REX SEALING AND PACKING INDUSTRIES LIMITED

Annexure V - Restated Financial Information

Security premium			
Opening balance	-	-	-
Movement during the year	-	-	-
Closing balance (C)	-	-	-
Total (A+B+C)	632.30	737.67	700.87

During the year, the Company has issued Rs 1600,000 bonus shares of face value Rs 10 each.

5 Non current borrowings

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<i>(Secured Loans)</i>			
Term loan (Refer note a below)	4.71	19.73	37.72
Less: Current maturities of long term debt	4.71	15.03	17.99
Total	-	4.71	19.73

(a) Term loans : The Company has availed term loan from public financial institution under the various arrangement with interest service charge of around 8 % to 15

Terms of repayment for secured loans

Particulars	Amount borrowed	Tenor (Months)	Moratorium period (Months)	Date of borrowings	Rupees in Lakhs
					Repayable amount monthly
Ford Credit India Limitec	7.58	36	-	April 10,2019	0.24
The federal Bank Limitec	44.53	60	-	August 11,2017	0.91

Details of Security :

- Primary Security : BMW 520D Sport line
- Gaurantee : The above term loan is covered under gauranteed from Mr. Nayak M.

5.1 Long term provisions

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Gratuity	8.38	7.05	6.98
Total	8.38	7.05	6.98

6 Short term borrowings

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<i>(Secured)</i>			
Bank Overdraft	283.14	199.57	269.58
<i>(Unsecured)</i>			
Loan from related Parties	86.82	119.18	129.67
Loan from Director	3.04	0.47	0.39
Current Maturities of Long Term Deb	4.71	15.03	17.99
Total	377.71	334.24	417.62

Terms of Bank Overdraft:

- The Company has availed Bank overdraft from public financial institution with sanctioned interest service charge of 8.15% for F.Y 21-2

Terms of Repayment:

Repayable on Demand

Details of security for OD:

- Primary Security : Extension of charge on entire present and future current assets of the Company including raw materials, stock under work in progress, finished goods, book debts, and all other current assets of the Company created out of Bank finance
- Collateral security : Mortgage of factory Land & Building situated at Plot number M-44, at MIDC Talaja Industrial area Palekhurd Panvel, Raigad,410208(Rural) & Entire Plant & Machinery installed in all the premises of Rex Sealing and Packing Industries (both owned and leased premises)
- Gaurantee : The above term loan is covered under gauranteed cover from Manjunath Nayak, Niranjan Nayak, Naresh Nayak & Meeta Nay;

Terms of Unsecured Loans:

- The Company has availed Loan from Directors with no interest
- The Company has availed Loan from Related parties with interest rate of 12%p.

7 Trade payables

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (Refer note below)	37.86	18.65	17.11
Total outstanding dues other than micro enterprises and small enterprises	156.68	127.25	128.56
Total	194.54	145.90	145.67

Note 1: In the absence of relevant reports from the system, the above ageing is given as per the posting date of transaction in the books of accounts and accordingly disclosure of bills not due has not been given in above table.

Note 2: Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Based on the information available with the Company, there are no parties who have been identified as micro, small and medium enterprises as at reporting date other than mentioned above based on the confirmations circulated and responses received as at reporting date by the management. Any updated information received by the management post reporting date regarding change in the status to micro, small and medium enterprises would be given effect of status change in the next financial year. Also refer note 30(g).

Ageing of Trade Payables

Ageing Schedule as on 31.03.2022	Particulars	Not Due	Unbilled	Outstanding for following periods from Date of Transaction				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
				(i) MSME	-	-	37.86	-
(ii) Others	2.46	65.65	83.30	0.73	1.32	3.22	156.68	
(iii) Disputed dues-MSME	-	-	-	-	-	-	-	
(iv) Disputed dues-Others	-	-	-	-	-	-	-	
	2.46	65.65	121.16	0.73	1.32	3.22	194.54	

Ageing Schedule as on 31.03.2021	Particulars	Not Due	Unbilled	Outstanding for following periods from Date of Transaction				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
				(i) MSME	-	-	18.32	-
(ii) Others	7.22	21.27	91.22	4.08	3.13	0.34	127.25	
(iii) Disputed dues-MSME	-	-	-	-	-	-	-	

Annexure V - Restated Financial Information

(iv) Disputed dues-Others								-
	7.22	21.27	109.54	4.40	3.13	0.34		145.90

Ageing Schedule as on 31.03.2020	Particulars	Not Due	Unbilled	Outstanding for following periods from Date of Transaction				
				Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME				17.11				17.11
(ii) Others		4.39	-	108.99	3.23	1.32	10.63	128.56
(iii) Disputed dues-MSME								-
(iv) Disputed dues-Others								-
		4.39	-	126.10	3.23	1.32	10.63	145.67

8 Short term provisions

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	3.34	2.34	1.99
Provision for bonus	3.43	3.60	4.37
Provision for income tax (Net of Advance Tax & TDS	-	1.73	1.44
Total	6.77	7.67	7.80

9 Other current liabilities

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Creditors for Capital Goods	0.19	0.55	0.60
Advances from customers	6.31	15.12	17.31
Employee Dues	6.73	10.17	0.09
Statutory dues	18.78	21.92	8.35
Interest accrued but not due	0.02	0.09	-
Total	32.04	47.84	26.34

11 Deferred Tax Assets (Net)

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Deferred Tax Asset			
Disallowance for 43 B	4.57	2.57	5.29
Provision for Doubtful Debt & GST Credit	10.20	3.91	-
Difference due to WDV as per IT & Co Ac	17.78	18.51	18.77
Total	32.54	24.99	24.06

12 Long term loans and advances

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good			
Other Loans and Advances			
Capital advances	119.91	121.63	119.41
Prepaid Expenses	1.41	3.80	6.48
Advance Tax and TDS(Net of provision for Taxation	21.94	36.53	15.72
Balance with Government Industries	6.23	3.88	2.70
Less: Doubtful capital advance written off	(23.61)		
Less: GST credit written off of earlier year	(19.36)	(19.36)	(19.36)
Total	106.51	146.49	124.95

12.1 -Capital advance of Rs. 95.80 lacs was paid to Maharashtra Industrial Development Corporation (MIDC) in earlier years for an allotment of industrial plot in Ambarnath Industrial Area. Allotment of the said plot is done on 5th September, 2014 and intimation for physical possession of the said plot dated 12th March 2015 was received by the Company which was scheduled on 26th March 2015. However, said physical possession of plot was not completed on 26th March 2015 as the officer of MIDC didn't turn up and accordingly, the Company has requested to MIDC for another date for physical possession of plot. The Company is yet to receive any intimation from MIDC for next date of hearing as to the physical possession of said plot for which regular follow up is made by the management. Further, the Company has not received any letter from MIDC as to cancellation of said plot from the MIDC.

Considering the above, in the opinion of the management, the Company will either receive physical possession of plot from MIDC or will get refund of entire amount in case of cancellation of physical possession of land by MIDC and hence, no provision is required to be made in the books of account for capital advance paid by the Company which have been relied upon by the auditor.

13 Other Non Current Assets

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good:			
Deposits:			
Performance guarantee deducted by custome	1.89	2.90	3.48
Rent Deposits	4.00	2.50	2.20
Security, EMD & Other Deposits	20.65	21.48	22.05
Less: Provision for doubtful deposi	(8.00)		
Total	18.53	26.89	27.72

14 Inventories

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Raw materials	443.96	450.55	413.75
Goods in transit	65.65	21.27	-
Finished goods	29.74	29.48	45.65
Goods in transit-F.G	8.04	-	-
Packing Material	9.62	7.58	3.41
Total	557.01	508.87	462.81

15 Trade receivables

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Outstanding for more than six month:			
Unsecured, Considered good*	77.97	79.89	90.70
Secured, Considered good*			
Doubtful	29.49	23.65	16.45
Outstanding for less than six month:			
Unsecured, Considered good*	388.10	246.09	347.20
Secured, Considered good*			
Doubtful		8.12	
Total	495.56	357.75	454.35
Less: Provison for Doubtful Deb	23.13	6.11	4.68
Total	472.44	351.64	449.68

Annexure V - Restated Financial Information

Ageing for Trade receivables

Trade Receivables ageing schedule as at 31st March,2022		Rupees in Lakhs					
Particulars	Not Due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2-3 Years	More than 3 years	
(i) Undisputed Trade Receivables – considered gooc		388.10	25.06	22.10	9.09	11.31	455.67
(ii) Undisputed Trade Receivables – considered doubtfu							-
(iii) Disputed Trade Receivables – considered gooc				6.40	0.86		7.25
(iii) Disputed Trade Receivables – considered doubtfu				4.66	1.04	26.94	32.64
	-	388.10	25.06	33.16	10.99	38.25	495.56

Trade Receivables ageing schedule as at 31st March,2021		Rupees in Lakhs					
Particulars	Not Due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2-3 Years	More than 3 years	
(i) Undisputed Trade Receivables – considered gooc		234.69	34.31	24.84	3.98	13.55	311.37
(ii) Undisputed Trade Receivables – considered doubtfu							-
(iii) Disputed Trade Receivables – considered gooc		11.40	-	0.86		-	12.25
(iii) Disputed Trade Receivables – considered doubtfu		8.12		1.04	5.43	19.53	34.12
	-	254.21	34.31	26.75	9.40	33.07	357.75

Trade Receivables ageing schedule as at 31st March,2020		Rupees in Lakhs					
Particulars	Not Due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2-3 Years	More than 3 years	
(i) Undisputed Trade Receivables – considered gooc		347.20	39.76	33.49	12.53	4.92	437.90
(ii) Undisputed Trade Receivables – considered doubtfu							-
(iii) Disputed Trade Receivables – considered gooc							-
(iii) Disputed Trade Receivables – considered doubtfu				0.93		15.53	16.45
	-	347.20	39.76	34.42	12.53	20.44	454.35

16 Cash and bank balances

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balances with banks :			
- Current accounts	2.74	1.12	1.81
Cash in hand	2.28	4.52	2.33
Fixed Deposits(Maturity for more than 3m but less than 12m) (the deposits are hypothecated against bank guarantee	0.30	15.86	17.91
	5.32	21.50	22.04

17 Short-term Loans & Advances

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Other Loans & Advances			
Balance with government authorities Net of provision	19.06	25.46	17.91
Advance to suppliers	8.74	15.89	9.02
Advances to Employee	3.92	3.79	2.69
Advance against salary to director (Net	32.20	-	-
Prepaid expenses	5.85	4.71	8.28
Total	69.77	49.86	37.91

18 Other Current Assets

Particulars	Rupees in Lakhs		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Deposits			
Rental deposit (Interest free)	0.30	0.44	0.59
Other Receivable	0.35	1.30	1.23
Interest Receivable	0.15	0.20	0.37
Total	0.79	1.95	2.20

19 Revenue from operations

Particulars	Rupees in Lakhs		
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Products (Net)			
Export Sales	64.05	95.87	125.44
Domestic Sales	2,027.67	1,610.43	1,879.46
Other Operating Revenue			
- Export Benefits	3.95		
- Sundry Balance Written Bael	12.01	8.12	0.92
Total	2,107.68	1,714.43	2,005.83

20 Other income

Particulars	Rupees in Lakhs		
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Interest on FD	0.13	1.08	1.46
Interest on IT Refund	1.34	-	-
Net gain on Foreign Currency Transaction	6.13	6.13	3.53
Reversal of provision for doubtful debts & Bad debts recovered	0.09	4.64	5.10
Miscellaneous Income	0.31	0.03	1.78
Total	8.00	11.87	11.87

21 Cost of material consumed

Particulars	Rupees in Lakhs		
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Raw materials			
Opening Stock of raw materials	450.55	413.75	273.36
Add: Purchase of material:	1,300.83	1,052.36	1,381.64
Less: Closing stock of raw material:	443.96	450.55	413.75
Other direct expenses			
Direct Expenses	8.67	10.03	8.93
Total	1,316.09	1,025.59	1,250.17
Packing materials			
Opening Stock of raw materials	7.58	3.41	3.43
Add: Purchase of material:	48.56	37.03	34.03
Less: Closing stock of raw material:	9.62	7.58	3.41
Total	46.52	32.85	34.06

REX SEALING AND PACKING INDUSTRIES LIMITED

Annexure V - Restated Financial Information

Total	1,362.61	1,058.44	1,284.23
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22 Changes in inventories

Rupees in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock			
Finished goods	29.48	45.65	5.65
Total opening stock	29.48	45.65	5.65
Closing stock			
Finished goods	37.78	29.48	45.65
Total closing stock	37.78	29.48	45.65
Total	(8.30)	16.18	(40.00)

23 Employee benefit expenses

Rupees in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and bonus expenses	100.30	103.40	127.09
Director Remuneration	219.00	198.00	135.00
Gratuity	4.64	2.41	2.68
Staff welfare expense	6.92	4.26	6.30
Contribution to provident and other funds	5.32	5.23	6.23
Total	336.17	313.29	277.31

24 Finance cost

Rupees in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Loan from Director and Relative	12.89	14.68	17.63
Interest on Bank Overdraft	21.35	26.07	34.12
Interest on Car Loan	0.96	2.65	4.52
Interest on delayed payment of statutory due	1.26	0.73	0.13
Interest on delayed payment to MSME Vendor	0.05	0.39	-
Processing Fees	1.51	1.69	0.04
Total	38.02	46.21	56.45

25 Other expenses

Rupees in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Legal & professional expenses:	23.89	6.78	3.86
Security expense	-	0.34	3.79
Repairs & Maintenance			
Plant & Machinery	7.48	3.45	13.23
Building	3.78	0.93	14.98
Others	10.80	8.76	-
Brokerage & Commission	10.26	10.88	7.61
Insurance expense	3.91	4.08	4.56
Communication exp	2.91	2.44	2.57
Travelling and conveyance expense:	9.83	6.78	26.22
Transportation Exp	46.93	37.64	38.28
Office expenses	4.62	3.63	5.54
Payment to statutory auditor (Refer note below)	3.59	4.46	4.49
GST Expense	-	10.61	-
Rent	9.22	8.11	13.91
Rates & Taxes	0.72	5.28	7.42
Bank charges	1.62	3.20	2.38
Expenses related to issue of shares	1.15	-	-
Sales Promotion & Other Selling Exp	5.59	5.20	4.58
Bad Debts	2.20	1.17	2.41
Sundry Balance & EMD written off	3.13	1.45	0.57
Miscellaneous expense	3.40	4.82	2.61
Provision For deposits & doubtful debts	25.01	1.43	-
Labour Charges	60.54	44.50	62.54
Factory Expenses	2.20	1.39	2.52
Electricity Expenses	16.70	13.21	13.06
GST credit written off	-	9.42	-
Property Plant & Equipment written off	1.96	-	0.57
Doubtful advances to supplier written off	23.61	-	-
Loss on Sale of Motor Vehicle	0.02	0.16	-
Total	285.09	200.11	237.71

Payment to auditors

Rupees in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Audit fees	2.25	2.25	2.25
Tax Audit	0.75	0.75	0.75
Taxation Matter	0.30	0.34	0.30
Other Services	0.25	1.13	1.14
Reimbursement of exp	0.04	-	0.05
Total	3.59	4.46	4.49

REX SEALING AND PACKING INDUSTRIES LIMITED

Annexure V - Restated Financial Information

Rupees in Lakhs

10 Property, plant and equipment

Particulars	Tangible Assets										Total Tangible Assets				
	Land	Building	Plant and machinery	Office equipments	Furniture and fixtures	Computer	Electric Installation	Vehicles							
Gross carrying amount															
As at April 01, 2019	-	175.15	223.04	7.12	31.71	7.89	-	214.26							659.18
Reversal of revaluation reserve	-	-	-	-	-	-	-	-							-
Additions	-	-	5.18	2.18	0.28	0.69	-	8.90							17.22
Disposals	-	-	0.59	-	2.20	3.85	-	3.45							10.09
As at March 31, 2020	-	175.15	227.63	9.30	29.79	4.72	-	219.71							666.31
Accumulated depreciation															
As at April 01, 2019	-	90.86	155.14	5.26	25.75	7.02	-	138.17							422.20
Charge for the year	-	4.96	13.06	1.51	1.56	0.48	-	26.41							47.99
On disposals	-	-	0.39	-	2.11	3.74	-	3.28							9.51
As at March 31, 2020	-	95.82	167.82	6.77	25.20	3.76	-	161.30							460.67
Net carrying amount as at March 31, 2020	-	79.33	59.81	2.53	4.59	0.97	-	58.42							205.64
Gross carrying amount															
As at April 01, 2020	-	175.15	227.63	9.30	29.79	4.72	-	219.71							666.31
Additions	-	-	9.00	1.28	-	0.82	-	7.56							18.66
Disposals	-	-	-	-	-	-	-	3.28							3.28
As at March 31, 2021	-	175.15	236.63	10.58	29.79	5.54	-	224.00							681.69
Accumulated depreciation															
As at April 01, 2020	-	95.82	167.82	6.77	25.20	3.76	-	161.30							460.67
Charge for the year	-	4.63	11.88	1.27	1.16	0.72	-	19.32							38.98
On disposals	-	-	-	-	-	-	-	2.86							2.86
As at March 31, 2021	-	100.45	179.70	8.04	26.37	4.48	-	177.75							496.79
Net carrying amount as at March 31, 2021	-	74.70	56.93	2.53	3.42	1.07	-	46.25							184.90
Gross carrying amount															
As at April 01, 2021	-	175.15	236.63	10.58	29.79	5.54	-	224.00							681.69
Additions	-	-	28.00	1.75	-	2.27	-	-							32.02
Disposals	-	-	26.04	1.06	0.31	0.35	-	4.70							32.46
As at March 31, 2022	-	175.15	238.59	11.27	29.48	7.46	-	219.30							681.25
Accumulated depreciation															
As at April 01, 2021	-	100.45	179.70	8.04	26.37	4.48	-	177.75							496.79
Charge for the year	-	4.32	11.55	1.29	0.83	1.54	-	14.37							33.89
On disposals	-	-	24.19	0.99	0.29	0.34	-	4.46							30.27
As at March 31, 2022	-	104.77	167.07	8.34	26.90	5.68	-	187.65							500.42
Net carrying amount as at March 31, 2022	-	70.38	71.52	2.92	2.58	1.78	-	31.65							180.83

Annexure V - Restated Financial Information

26 Related party disclosure

(a) Related Parties

Name of the party	Nature of relationship
Vijaylaxmi Enterprise	Firm in which relative of Director are partner
Mr Manjunath Nayak	Director(Also having substantial interest in Company)
Mrs Meeta Nayak	Director(Also having substantial interest in Company)
Mr Niranjan Nayak	Director(Also having substantial interest in Company)
Mr. Naresh Nayak	Director(Also having substantial interest in Company)
Rex Industries	Firm in which Director are partner
Mrs Nivedita Nayak	Relative of Director
Mrs Kalpana Nayak	Relative of Director

(b) Particulars of transactions with related parties

Rupees in Lakhs

Particulars	Nature of Transactions	March 31, 2022	March 31, 2021	March 31, 2020
Vijaylaxmi Enterprise	Man Power Supply	55.30	37.68	61.83
Rex Industries	Rent Payment	-	-	5.94
Mr Manjunath Nayak	Opening Balance	0.11	0.33	30.70
	Loan Received	4.12	1.27	3.17
	Loan Repaid	2.48	1.49	33.55
	Closing Balance	1.76	0.11	0.33
	Advance against salary (Net)	(9.70)	-	-
	Director Remuneration	67.00	60.00	39.00
	Closing Balance	4.30	1.05	-
	Interest on Loan	-	-	1.00
Mrs Meeta Nayak	Opening Balance	-	-	61.80
	Loan Received	-	-	2.66
	Loan Repaid	-	-	64.46
	Closing Balance	-	-	-
	Director Remuneration	18.00	18.00	18.00
	Closing Balance	1.10	1.50	-
	Interest on Loan	-	-	1.79
Mr Niranjan Nayak	Opening Balance	0.00	(0.03)	0.38
	Loan Received	1.64	2.12	1.35
	Loan Repaid	1.57	2.09	1.76
	Closing Balance	0.07	0.00	(0.03)
	Advance against salary (Net)	(12.00)	-	-
	Director Remuneration	67.00	60.00	39.00
Mr Naresh Nayak	Opening Balance	0.35	0.07	1.25
	Loan Received	9.38	4.95	11.47
	Loan Repaid	8.52	4.66	12.65
	Closing Balance	1.22	0.35	0.07
	Advance against salary (Net)	(10.50)	-	-
	Director Remuneration	67.00	60.00	39.00
Mrs Nivedita Nayak (all figures are inclusive of interest)	Opening Balance	41.07	55.60	30.81
	Loan Received	41.64	15.39	84.45
	Loan Repaid	44.96	29.92	59.66
	Closing Balance	37.76	41.07	55.60
	Interest on Loan	4.14	5.99	7.17
Mrs Kalpana Nayak (all figures are inclusive of interest)	Opening Balance	78.11	74.06	30.81
	Loan Received	54.46	27.81	84.91
	Loan Repaid	83.51	23.77	41.66
	Closing Balance	49.06	78.11	74.06
	Interest on Loan	7.46	8.68	7.67

27 Earnings per share

Rupees in Lakhs

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Profits attributable to the equity holders of the Company (in lakhs)	54.62	36.81	113.32
Weighted average number of equity shares (no's)	1,920,000.00	1,920,000.00	1,920,000.00
Earnings per share (basic)	2.85	1.92	5.90
Earnings per share (diluted)	2.85	1.92	5.90
Face value per equity share (Rs.)	10.00	10.00	10.00

28 Contingent liabilities

Rupees in Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Liability on sales tax payable on non-collection of C - Form from the customers.	9.78	9.78	9.78
TDS Default as per Traces of Income Tax Act, 1961 for AY 22-23 & Prior Years	2.29	2.15	0.23
VAT and CST liability as mentioned below	69.52	31.25	17.10
Income Tax Demand as mentioned below	2.35	2.35	-
GST Demand as mentioned below	37.57	-	-

The Company is in the process of evaluating the above and is of opinion that none of orders mentioned above will result in any tax liabilities in near future. Pending completion of the process, no provision is considered necessary. Cash outflow for above items will depend on the outcome of matters under dispute.

a. The company had received a notice dated 06/09/2016 under MVAT Act, 2002 raising a liability of Rs. 8.12 lacs subsequently the department waived off Rs. 1.78 lacs for assessment period 1-4-10 to 31-3-11. Part payment of Rs. 2.70 lacs has been done against the order. The company had paid additional Rs. .08 lacs for availing amnesty benefit. Stay has been granted by the authority for the balance amount of Rs.3.56 lacs.

b. The company had received a notice dated 28/03/2018 under CST Act, 1956 raising a liability of Rs. 6.28 lacs for assessment period 1-4-13 to 31-3-14. Part payment of Rs.3.29 lacs was done against the order. The company had obtained stay against the balance amount of Rs.2.98 lacs. However the company has provided for the full amount in the financials.

c. The company had received a notice dated 26-3-2021 under CST Act, 1956 raising a liability of Rs. 3.39 lacs plus interest Rs.4.89 lacs for assessment period 1-4-14 to 31-3-15. The company has gone into appeal on 25-6-21 and paid Rs. 0.34 lacs against the order under protest.

d. The company has filed appeal on 28-06-2021 by paying Rs. 0.20 lacs under protest against the assessment order dated 26.03.2021 passed by the Deputy Commissioner of State tax for the period 01-04-2014 to 31-03-2015 raising dues of Rs 4.88 lacs under MVAT Act, 2002.

e. The company had received a notice of dated 12/07/2019 under CST Act, 1956 raising a liability of Rs. 6.23 lacs for assessment period 1-4-15 to 31-3-16. Correspondingly, the Company had filed a rectification application before the assessing officer and paid Rs. 0.61 lacs on 4-11-20 under protest.

f. The company had received a notice dated 12/07/2019 under of MVAT Act, 2002 raising a liability of Rs. 5.51 lacs for assessment period 1-4-15 to 31-3-16. Rectification application had been filed before the assessing officer. Correspondingly, the Company had filed a rectification application before the assessing officer and paid Rs. 0.57 lacs on 4-11-20 under protest.

g. The company has received a notice dated 25-08-2021 under CST Act, 1956 raising a liability of Rs 13.35 lacs plus interest Rs 15.76 lacs for assessment period 01-04-16 to 31-03-17. The stay to the recovery was granted on part payment of Rs.1.34 lacs under protest and the company has gone into appeal on 29-09-21.

h. The company has received a notice dated 25-08-2021 under MVAT Act,2002 raising a liability of Rs 0.90 lacs plus interest Rs 1.07 lacs for assessment period 01-04-16 to 31-03-17. The stay to the recovery was granted on part payment of Rs 0.09 lacs and the company has gone into appeal on 29-09-21.

i. The company has received notice date 25-08-2021 under CST Act,1956 raising a liability of Rs 3.35 lacs plus interest Rs 3.15 lacs for assessment period 01-04-17 to 30-06-17. The stay to the recovery was granted on part payment of Rs 0.33 lacs and the company has gone into appeal on 29-09-2021.

j. The company has received notice dated 25-08-2021 under MVAT Act,2002 raising a liability of Rs 0.36 lacs plus interest Rs 0.34 lacs for assessment period 01-04-17 to 30-06-17. The stay to the recovery was to the recovery was granted on part payment of Rs.0.04 lacs and the company has gone into appeal on 29-09-21.

k. The company has received an order u/s 143(1)(a) of Income Tax Act 1961 dated 25/11/2016 for demand of Rs. 2.35 lakhs. The company had filed an appeal which was approved by IT Officer, the IT Officer asked the company to furnish same to AO for reverification and the company is in process of evaluating the same and will take action accordingly.

l. TDS default as per Income Tax Traces Rs.2.29 lakhs (PY Rs.2.15 lakhs). The management is in process of taking necessary action.

m. During the year the company has received an intimation of liability dated 04/02/22 under section 73 of MGST Act, 2017 pertaining to FY 2018-19 for excess ITC claimed in GSTR 3B/9 which is not confirmed in GSTR 2A or 8A of GSTR 9 of Rs.20.26 lakhs with Interest of Rs.17.02 lakhs and in-eligible ITC claimed from RC cancelled suppliers of Rs.0.12 lakhs with Interest Rs. 0.09 lakhs. The company is in process of taking necessary action for the total demand of Rs.37.49 lakhs.

n. During the year the company has received an Order u/s Section 73(9) dated 11/02/22 of MGST Act, 2017 pertaining to FY 2019-20 for delay in filing GSTR3B attracting interest as per section 50 of Rs. 0.08 lakhs. The company is in process of taking necessary action for the same.

29 Estimated amount of Contractual commitment remaining to be executed is Rs. 2.50 lakhs.

30 Particulars relating Profit & Loss accounts & Balancesheet

a CIF Value of Imports Rupees in Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Raw Materials	782.36	660.77	733.09
Total	782.36	660.77	733.09

b Earning in Foreign Currency Rupees in Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
FOB value of Export Sales	59.76	92.34	125.44
Total	59.76	92.34	125.44

c Particulars of Revenue from Operations Rupees in Lakhs

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Sales of Products:			
Ceramic Fibre Product	353.59	436.92	390.75
Chemicals	66.73	25.65	39.28
Fire Proof Sleeve	415.37	158.82	234.51
Gasket Sheet	416.81	287.22	510.61
Gland Packing	430.50	292.77	322.43
Industrial Bellows	143.58	129.73	201.53
Silica Products	196.65	147.04	134.96
Others	68.49	228.15	170.84
Total	2,091.72	1,706.30	2,004.91

d Value of Imported and Indigenous Raw Material Consumptior Rupees in Lakhs

Particulars	For the year ended 31 March, 2022		For the year ended 31 March, 2021		For the year ended 31 March, 2020	
Raw Materials						
Imported	787.64	60%	580.05	57%	590.22	47%
Indigenous	528.45	40%	445.54	43%	659.96	53%
Total	1,316.09	100%	1,025.59	100%	1,250.17	100%

e Unhedged Foreign Currency Exposure : Rupees in Lakhs

Particulars	Year ended March 31, 2022		Year ended March 31, 2021		Year ended March 31, 2020	
	In foreign currency	In INR	In foreign currency	In INR	In foreign currency	In INR
Receivable (USD)	0.58	43.89	0.66	47.76	0.21	15.53
Payables (USD)	0.70	53.45	0.12	8.88	0.72	54.20

There are no foreign currency exposures which are hedged as at year end on 31.03.22,31.03.21 & 31.03.20

f In the opinion of the Management, the Current Assets, Current Liabilities, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business and are subject to confirmation

g Based on intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, and disclosures relating to amount unpaid as at the end together with interest paid/payable as required under the said Act have been given below by the Company.

Rupees in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	37.91	19.03	11.54
- Principal Amount	37.86	18.65	11.40
- Interest Amount	0.05	0.39	0.13
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.56	0.52	0.13
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

*Amount unbilled as per Note 7 has not been considered in the above table as the invoice for the same is yet to be received by the company.

h Details of Provision on Doubtful Debts

Rupees in Lakhs

Particulars of Provisions	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Opening Balance	6.12	4.68	6.50
Additional Provisions made during the year	19.22	3.44	-
Amount of Provisions used during the year	-	-	1.52
Amount of Provisions reversed during the period	2.20	2.01	0.30
Closing Balance	23.15	6.12	4.68

Annexure V - Restated Financial Information

31 Employee benefits

(a) Defined contribution plan

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees as per regulations. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

<i>Rupees in Lakhs</i>			
Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Employer contribution to provident fund & Other Fund	5.32	5.23	6.23

Included in 'Contribution to provident funds' under employee benefits expense (refer note 23)

(b) Defined benefit plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Actuarial assumptions:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate as at	7.25% p.a	7.00% p.a	7.25% p.a
Future salary increases	7.00% p.a	5.00% p.a	5.00% p.a
Mortality rate	IALM 2012-14 (Ult.)	LIC 2006-08	LIC 2006-08
Normal retirement age	60 years	60 years	60 years

Notes:

- Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

The amounts recognised in the balance sheet and movements in the net defined benefit obligation (DBO) are as follows :

<i>Rupees in Lakhs</i>			
Change in the present value of obligation	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Present value of obligation at the beginning of the year	9.39	8.97	13.12
Current service cost	2.90	1.34	1.55
Interest cost	0.68	1.07	1.14
Benefits paid	(3.83)	(1.99)	(6.83)
Actuarial loss/(gain)	17.44	-	-
Present value of obligation at the end of the year	26.60	9.39	8.97

<i>Rupees in Lakhs</i>			
Amount recognised in the statement of profit and loss	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	2.90	1.34	1.55
Interest cost	0.68	1.07	1.14
Actuarial loss/(gain)	1.06	-	-
Total expense recognized in the statement of profit and loss	4.64	2.41	2.68

REX SEALING AND PACKING INDUSTRIES LIMITED

Annexure V - Restated Financial Information

32 Ratio Analysis

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	March 31, 2020	% change from FY 20-21 to FY 21-22	% change from FY 19-20 to FY 20-21
Current ratio	Current Assets	Current Liabilities	4.74	4.64	5.42	2.16%	-14.47%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.46	0.44	0.60	4.05%	-26.21%
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	2.33	1.64	2.86	41.98%	-42.62%
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.07	0.05	0.17	39.90%	-70.35%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.54	2.21	5.38	14.89%	-58.86%
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.12	4.28	7.32	19.54%	-41.58%
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	7.93	7.47	15.49	6.08%	-51.75%
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.42	2.34	2.52	3.26%	-7.24%
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.03	0.02	0.06	20.72%	-62.00%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.09	0.09	0.18	-0.88%	-50.10%
Return on Investment	Gain from mutual funds	Investment	NA	NA	NA	NA	NA

Reasons for variance of more than 25% in above ratios :-

Notes :

1. Debt equity ratio has decreased due to repayment of debts
2. Debt service coverage ratio has decreased due to decrease in profit
3. Return on equity ratio has decreased due to decrease in profit & increase in share capital
4. Inventory ratio has decreased due to increase in inventory and fast selling of the goods.
5. Trade receivable ratio has decreased due to increase in customer credit and on time realisation of payments.
6. Trade payable ratio has decreased due to better credit period enjoyed by the Company
7. Net profit ratio has decreased due to adjustment entries for provisions created.
8. Return on capital employed is decreased due to decrease in margins.

Annexure V - Restated Financial Information

33 Other statutory information

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries:

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

• The Company has considered possible effects of ongoing pandemic Covid-19 while preparation of financial statements.

• Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification.

REX SEALING AND PACKING INDUSTRIES LIMITED

ANNEXURE VI - Restated Financial Information

Adjustment made in restated financial statements

Adjustments having impact on profit

Impact on Profit and Loss A/c

Rupees in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Profit as per Audited Financials	29.34	36.81	113.32
Adjustments For :	-	-	-
Add/ (Less): Adjustment for GST written off of earlier years	19.35		
Add/ (Less): Adjustment for provision for Income Tax & Deferred tax	5.93		
Profit as per Restated Financials	54.62	36.81	113.32

Changes done in reserves & surplus has been restated for the financial years

Rupees in Lakhs

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Reserves & Surplus as per audited financial statement	626.36	757.02	720.23
Add/ (Less): Adjustment for GST written off of earlier years	-	(19.36)	(19.36)
Add/ (Less): Adjustment for provision for Income Tax & Deferred tax	5.94	-	-
Reserves & Surplus as per restated financial statement	632.30	737.67	700.87

Adjustments not having impact on profit

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the latest audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

REX SEALING AND PACKING INDUSTRIES LIMITED

ANNEXURE VII - Statement of accounting ratio as restated

Rupees in Lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Restated Profit after tax as per P & L Account	54.62	36.81	113.32
Actual number of equity shares outstanding at the end of the year	1,920,000	320,000	320,000
Equivalent weighted average number of equity shares at the end of the year	1,920,000	1,920,000	1,920,000
Diluted weighted average number of potential equity shares at the end of the year	1,920,000	1,920,000	1,920,000
Share capital*	192.00	32.00	32.00
Reserves & surplus	632.30	737.67	700.87
Net Worth	824.30	769.67	732.87
Earnings Per Share (EPS):			
Basic EPS	2.85	1.92	5.90
Diluted EPS *	2.85	1.92	5.90
Return on net worth (%)	6.63%	4.78%	15.46%
Net asset value per share (Rs) - based on actual no. of equity shares at the end of the year	42.93	240.52	229.02
Face value per equity share (Rs.)	10	10	10

Notes to Accounting Ratios:

a) The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively.

b) Formulas used for calculating above ratios are as under:

i. Basic EPS is being calculated by using the formula: (Net profit after excluding extra-ordinary items / Equivalent weighted average No. of outstanding shares)

ii. Net asset value is being calculated by using the formula: (Net worth / Actual number of equity shares at year end)

iii. Return on Net worth is being calculated by using the formula: (Profit after Tax / net worth)

Notes:

* As there is no dilutive capital in the company, basic and diluted earnings per share are similar.

Annexure VIII - Restated Statement of Capitalisation

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2022, on the basis of the Restated Financial Statements, and as adjusted for the Issue. This table should be read in conjunction with the sections titled "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations "respectively.

Particulars	Rupees in Lakhs	
	Pre issue as at March 31,2022	As adjusted for the proposed issue*
Borrowings:		
Long term borrowings (A)	-	-
Short term borrowings (B)	377.71	377.71
Total borrowings (C)	377.71	377.71
Equity:		
Equity share capital	192.00	[•]
Reserves and surplus	632.30	[•]
Total equity (D)	824.30	[•]
Ratio: Total borrowings (C)/ Total equity (D)	0.46	[•]
Notes:		
1. As per the Restated Financial Statements.		

The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the finalisation of the issue price and hence the same have not been provided in the above statement



MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Rex Sealing and Packing Industries Limited, is a manufacturer and exporter of Sealing packing and Insulation products including Jointing Sheets, Fabric Expansion Joints, Gland packing & Ropes, High Temperature resistant textiles etc.

Our business was initiated in the Year 1963 by our founding Promoter, Manjunath Nayak under the name "M/s Rex Industries" for manufacturing of Gland Packing. Initially we started as a manufacturing business at a very small scale. Thereon, in the Year 1997, the business was further expanded by second generation of the family, Niranjana Nayak and later joined by Naresh Nayak in the Year 2001. Further, with a vision to corporatize our business and cater to the organized players in the markets, our Company was incorporated in the Year 2005.

Our Promoters have more than two decades of extensive experience in this industry. Our business operations have been led by our Promoter and assisted by our experienced Management Team who has contributed to the growth of our business operations. The team is backed by a core technical team that has substantial experience in manufacturing and technical know-how. For further details, please refer "*Our Management*" on page 95 of this Draft Prospectus.

Our Company is an ISO 9001 & 14001 Certified company. We follow British Standard ("BS"), Deutsches Institut für Normung (DIN) - German Standard, ASTM ("American Standard"), and American Standard Soc of Mechanical Engineers ("ASME") quality standards for our range of products.

Our diversified products include four major categories:

1. Compressed Fibre Jointing Sheets / Gaskets
2. Gland Packing & Ropes
3. Fabric Expansion Joints
4. Technical and Heat Resistance Textiles

All our products are manufactured in-house at our manufacturing facilities located in Plot No.44, MIDC- Taloja Industrial Area, Palekhurd Panvel, Raigad - 410208, which enables us to have an effective control over the manufacturing process and to ensure consistent quality of our products. Our manufacturing unit is strategically located at Panvel providing us with strategic and operational advantages and has a well-equipped laboratory, modern technology and testing equipments with supporting environment and facilities, to ensure that the products conform to the pre-determined standards.

Our Company is in the process of setting up an additional manufacturing facility at Anand Nagar, MIDC Ambernath, admeasuring 4000. Sq meter for expansion of business and manufacture of all types of "Asbestos Free" Gaskets sheets for Automotive, Steel and other process unit.

We are a customer centric company, constantly striving to create value for our customers through products offered and committed deliveries. Our products are used by some well known industrial houses in Petrochemical, Pharmaceutical, Power, Steel, Cement, Chemical, Gas and Process industry.

We have a dedicated in house Research & Development Laboratory ("R&D") which undertakes rigorous testing and quality management. Our dedicated R&D team tests the raw materials procured and the products manufactured. The R&D team is instrumental in maintaining the high quality of our products.



At present, we cater to domestic markets as well as international markets, limited to Gulf and Middle East countries. The breakup of revenue for Fiscal 2022, Fiscal 2021 and Fiscal 2020 on the basis of Domestic Sale and Export Sale are stated as below:

Particulars	Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Amount in lakhs	%	Amount in lakhs	%	Amount in Lakhs	%
Revenue from Domestic Sale	2027.67	96.94	1,610.43	94.38	1879.46	93.74
Revenue from Export Sale	64.05	3.06	95.87	5.61	125.44	6.26

Our revenue from operations was ₹ 2107.68 lakhs, ₹ 1714.43 lakhs and ₹ 2005.83 Lakhs for Fiscal 2022, 2021 and 2020, respectively. Our EBITDA was ₹ 140.11 Lakhs, ₹ 138.28 lakhs and ₹ 258.47 Lakhs for Fiscal 2022, 2021 and 2020, respectively. Our restated profit after tax was ₹ 54.62 Lakhs, ₹ 36.81 Lakhs and ₹ 113.32 Lakhs for Fiscal 2022, 2021 and 2020, respectively.

Our Strengths

Focusing on multiple end - user industries

We have over the last few years introduced new product categories which have diverse end- use applications. Initially we started with manufacturing Gland Packing product. Subsequently, we started manufacturing Compressed Jointing Sheets and Gaskets, Fabric Expansion Joints etc. which has helped us to diversify into more end-user industries such as Petrochemical, Power, Cement, Steel, Pharmaceutical industries. This expansion has facilitated a diversified product portfolio and helped us create a demand for our products across various industries. We believe that a diversified portfolio enables us to achieve significant scale of production and help increase our market penetration. We believe our approach of presenting a large portfolio of products for diversified customer applications has helped us enhance our growth and will continue to increase our brand loyalty among our customers.

Quality Products

Ours is a quality conscious organisation, which believes in manufacturing quality products. Our management team is focused on ensuring minimum defects in our products and quality certifications are only an endorsement of the robust systems and processes developed with years of experience and knowledge. Our products and processes undergo regular quality checks to ensure minimal defects. We have been accredited with ISO 45001: 2018 (Occupational Health and Safety Management Systems), ISO 9001: 2015 (Quality Management System), ISO 14001: 2015 (Environmental Management System).

Experienced Management Team

The Promoter and the management team of our Company have significant industry experience and have been instrumental in the consistent growth of our Company's performance. Our Promoters have close to two decades of business experience and has been instrumental in the consistent growth of our Company's performance. Our Management Team led by our Managing Director and whole time directors are function oriented and focused on their respective tasks, while being collaborative. Our management team's collective experience and capabilities enable us to understand and anticipate market trends; manage our business operations and growth, leverage customer relationships and respond to changes in customer preferences. We will continue to leverage on the experience of our management team and their understanding of the industry we operate in, to take advantage of current and future market opportunities. For further details, refer to the chapter titled "Our Management" on page95.

Long Term relationship with clients and repeat business

We enjoy a good reputation and despite increase in competition, have received repeat orders from several of our prominent clients. Our clients are spread across the country and overseas and have been associated with us for a long term period. We constantly try to address our clients' requirements which help us to maintain a long-term working relationship with our clients and improve our retention strategy. The portfolio of our existing clients gives us a competitive advantage in gaining new clients and increasing our business.

In house R&D for innovation and cost improvements



Our company is a quality and research driven company with continuous efforts focused on quality checks, analysis and developing latest process improvements and production cost efficiencies. Our Manufacturing facility has a dedicated R&D laboratory for testing the raw materials employed in the manufacturing process and the finished products so manufactured. There are multiple checks at different levels of production to make sure quality of the products is not compromised. We believe that the product and process innovations will be key factor going forward and our continued investment in R&D will better prepare us to take advantage of any future opportunities.

Presence in International markets

Our Company caters to international markets and majorly exports its products to countries such as Oman, Malaysia and Dubai etc. For the financial year ending 2022, 2020 and 2021 our revenue from exports contributed 3.06%, 5.61%, 6.25% respectively of our revenue from operations.

FACTORS AFFECTING OUR RESULT OF OPERATIONS

Economic conditions in the markets in which we operate

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India. Any change in macro-economic conditions in these markets, including changes in interest rates, government policies or taxation and political, economic or other developments could affect our business and results of operations. The Industrial Packaging and sealing industry in India may perform differently and be subject to market and regulatory developments that are dissimilar to the markets in other parts of the world. While stronger macro-economic conditions tend to result into higher demand for our products, weaker macro-economic conditions tend to result into lower demand. Change in demand in the market segments we currently supply or improvement/deterioration in the market or a change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition.

Relationship with key customers

We have historically derived, and may continue to derive, a significant portion of our income from our top 10 customers. In Fiscals 2022, our top 10 customers represented 65.55%, of our total revenues from operations in such periods. Any reduction in orders from our top ten customers would adversely affect our income. The demand from our key customers, in particular our top 10 customers, determines our revenue levels and results of operations, and our sales are directly affected by the production and inventory levels of our customers. Our customers in turn are dependent on demand from their customers as well as general trends in the global Industrial Packaging and sealing industry and. Over the years, we have developed strong relationships with a number of domestic corporations through which we have been able to expand our product offerings and also our geographic reach. Our business depends on the continuity of our arrangements with these customers. Our sales to such customers are typically conducted on the basis of purchase orders that they place with us from time to time.

Government approvals, licenses, regulations and policies

We require certain approvals, licenses, registrations and permissions for our operations. For further details, please refer to section titled "Government and Other Approvals" beginning on page 154 of this Draft Prospectus. While, we believe we will be able to obtain, maintain and renew such approvals or permits as required, there can be no assurance that we can do so in the timeframes anticipated by us, or at all. If we fail to obtain, maintain or renew any of these approvals or permits in a timely manner or at all, our operations and expansion plans may be interrupted, which could adversely affect our growth strategy, business and results of operations. Furthermore, our approvals and permits are subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business and results of operations could be adversely affected.

Competition

Our Company is mainly engaged in the business of manufacturing industrial sealing and packing products. Having being in this business for more than a decade, we have developed in-house expertise and our clients have been satisfied with our products. There are many other local and/or unorganized manufacturers, who may be manufacturing products which are similar to ours, but our quality specifications are difficult to emulate. However, as we enter a much larger growth phase, there will be many domestic and international manufacturers whom we may compete with, including any new entrants. As our Company enter newer markets, we are likely to face additional competition from those who may be better capitalized, have longer operating history, have greater brand presence, and better management than us. If we are unable to manage our business it might impede our competitive position and profitability. We intend to continue competing using the resources available at our disposal to capture more market share and adding more resources as required, including human resources to manage our growth in an optimal way.



RESULTS OF OUR OPERATIONS

(in lakhs)

Particulars	For the year ended March 31,					
	2022	% of Total Income	2021	% of Total Income	2020	% of Total Income
INCOME:						
Revenue from Operations	2,017.68	99.62%	1714.43	99.31%	2005.83	99.41%
Other Income	8.00	0.38%	11.87	0.69%	11.87	0.59%
Total Income (A)	2,115.68	100.00%	1726.30	100.00%	2,017.70	100.00%
EXPENSES:						
Cost of Materials Consumed	1,362.61	64.41%	1058.44	61.31%	1,284.31	63.65%
Changes in inventories	(8.30)	(0.39)%	16.18	0.94%	(40.00)	-1.98%
Employee benefit expenses	336.17	15.89%	313.29	18.15%	277.31	13.74%
Finance costs	38.02	1.80%	46.21	2.68%	56.45	2.80%
Depreciation	33.89	1.60%	38.98	2.26%	47.99	2.38%
Other Expenses	285.09	13.47%	200.11	11.59%	237.71	11.78%
Total Expenses (B)	2,047.48	99.78%	1,673.22	96.92%	1,863.68	92.37%
Net Profit / (Loss) before tax	68.20	3.22 %	53.09	3.08%	154.02	7.63%
Less: Tax expense						
(i) Current tax	22.83	1.08%	15.19	0.88%	39.82	1.97%
(ii) Deferred tax	(7.56)	(0.36)%	(0.93)	(0.05%)	0.89	0.04%
(iii) Deferred Tax/ Short/Excess provision for earlier periods	(1.69)	(0.08)%	2.01	0.12%	(0.01)	0.00%
Total Tax Expense	13.58	0.64%	16.28	0.94%	40.70	2.02%
Net Profit / (Loss) after tax	54.62	2.85%	36.81	2.13%	113.32	5.62%



Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from Sale of Products and other income.

Revenue from Operations

Our revenue from operations as a percentage of total income was 99.62%, 99.31%, and 99.41%, for the fiscals 2022, 2021 and 2020 respectively.

Other Income

Our other income comprises of interest income and excess provision written off. Other income, as a percentage of total income was 0.38%, 0.69% and 0.59%, for the fiscals 2022, 2021 and 2020 respectively.

Expenditure

Our total expenditure primarily consists of raw material consumed, Change in Inventories of WIP & Finished Goods, employee benefit expenses, finance cost, depreciation expenses and other expenses.

Cost of Raw Material Consumed

It consists of cost of raw materials consumed and other direct expenses.

Changes in Inventories

Consists of changes in work-in-progress, finished goods & scrap, if any.

Employee Benefit Expenses

Employee benefit expenses comprises of salaries, employee welfare expenses, contribution to PF & Gratuity.

Depreciation and Amortization Cost

Depreciation and Amortization Expenses consist of depreciation on the Tangible assets of our company i.e. Furniture & Fixtures, Plant & Machinery, Computer, Other Equipments, Electric Installation, Buildings and Vehicle.

Finance costs

Finance cost includes Interest on Borrowings and processing expenses.

Other Expenses

Other expenses include Legal & professional expenses, MCA Filing fees, Security expense, Repair of plant & machinery, Annual custody fees, Insurance expense, Deferred revenue expenditure written off, Rent, Rates & Taxes, Stamp duty, valuation charges and Miscellaneous expenses.

Provision for Tax

The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

Fiscal 2022 compared with fiscal 2021

Income



In fiscal 2022, our total income increased by 389.38 lakhs or 22.56%, from 1,726.30 lakhs in fiscal 2021 to 2,115.68 lakhs in fiscal 2022. The increase in the year 2022 was due to increase in demand of our products as compared to last year.

Other income decreased by 3.87 lakhs or 32.61%, from 11.87 lakhs in fiscal 2021 to 8.00 lakhs in fiscal 2022 due to realisation of Fixed Deposit whose interest income contribution was significant previous year.

Cost of Material Consumed

Cost of material consumed increased by 304.17 lakhs or 28.74%, from 1,058.44 lakhs in Fiscal 2021 to 1,362.61 lakhs in Fiscal 2022 as a result of increase in material purchased to satisfy the demand.

Change in Inventory

Changes in Inventories decreased by 151.31% from ₹ 16.18 lakhs in Fiscal 2021 to ₹ (8.30) lakhs in Fiscal 2022. Primarily due to increase in closing stock in Fiscal 2022 as a result of an increase in the volume of products sold.

Employee Benefit Expenses

Employee Benefit Expenses increased by 22.88 lakhs or 7.30%, from 313.29 lakhs in fiscal 2021 to 336.17 lakhs in fiscal 2022. This increase was mainly due to increase in salaries, bonus and staff welfare expenses, contribution to Gratuity & PF as compared to last fiscal.

Depreciation Expenses

Depreciation expenses were 33.89 lakhs in fiscal 2022 as compared to 38.98 Lakhs in fiscal 2021.

Other Expenses

Other expenses increased by 84.97 lakhs or 42.46% from 200.11 lakhs in fiscal 2021 to 285.09 lakhs in Fiscal 2022. The increase was majorly due to increase in certain expense like provision for doubtful debt, Bad Debt & GST, Write off, Labour Charges and Issue of shares.

Profit/ (Loss) before Tax

The decrease in depreciation & Finance cost has led to increase in our Profit before tax by 15.12 lakhs or 28.48 % from 53.09 lakhs in fiscal 2021 to 68.20 lakhs in fiscal 2022.

Tax Expenses

The Company's tax expenses had decreased by 2.70 lakhs or 16.60 % from 16.28 lakhs in the Fiscal 2021 to 13.58 lakhs in Fiscal 2022 due to decrease in deferred tax.

Profit/ (Loss) after Tax

After accounting for taxes at applicable rates, our Profit after Tax increased by 17.82 lakhs or 48.41 %, from 36.81 lakhs in fiscal 2021 to 54.62 lakhs in fiscal 2022.

Fiscal 2021 compared with fiscal 2020

Income

In fiscal 2021, our total income decreased by 291.40 lakhs or 14.44%, from 2,017.70 lakhs in fiscal 2020 to 1,726.30 lakhs in fiscal 2021. The decrease resulted from temporary lockdown and restriction in business operation related to manufacturing facilities due to pandemic of Covid-19.

Other income stayed constant from 11.87 lakhs in fiscal 2020 to 11.87 lakhs in fiscal 2021.

Cost of Material Consumed



Cost of material consumed decreased by 225.79 lakhs or 17.58%, from 1,284.23 lakhs in Fiscal 2020 to 1,058.44 lakhs in Fiscal 2021 due to decrease in production resulting from the decrease of demand of our products.

Change in Inventory

Changes in Inventories shows a increase of 140.44% from ₹ (40.00) lakhs in Fiscal 2020 to ₹ 16.18 lakhs in Fiscal 2021. Primarily due to increase in closing stock in Fiscal 2021.

Employee Benefit Expenses

Employee Benefit Expenses increased by 35.99 lakhs or 12.98%, from 277.31 lakhs in fiscal 2020 to 313.29 lakhs in fiscal 2021. This increase was mainly due to increase in salaries wages and bonus and staff welfare expenses as compared to last fiscal.

Depreciation Expenses

Depreciation expenses were 47.99 lakhs in fiscal 2020 as compared to 38.98 lakhs in fiscal 2021.

Other Expenses

Other expenses decreased by 37.60 lakhs or 15.82 % from 237.71 lakhs in fiscal 2020 to 200.11 lakhs in Fiscal 2021. The increase was majorly due to decrease in certain expense like labour charges and repair & maintenance charges.

Profit/ (Loss) before Tax

The decrease in revenue from operations has led to decrease in our Profit before tax by 100.94 lakhs or 65.54 % from 154.03 lakhs in fiscal 2020 to 53.09 lakhs in fiscal 2021.

Tax Expenses

The Company's current tax expenses had decreased by 24.42 lakhs or 60.00 % from 40.70 lakhs in the Fiscal 2020 to 16.28 lakhs in Fiscal 2021 due to decrease in profits.

Profit/ (Loss) after Tax

After accounting for taxes at applicable rates, our Profit after Tax decreased by 76.52 lakhs or 67.52%, from 113.32 lakhs in fiscal 2020 to 36.81 lakhs in fiscal 2021.

Cash Flows

(*in lakhs*)

Particulars	For the year ended March 31		
	2022	2021	2020
Net Cash from Operating Activities	14.64	161.15	262.53
Net Cash from Investing Activities	(16.06)	(15.10)	(19.18)
Net Cash used in Financing Activities	0.78	(144.53)	(242.15)
Net Increase / (Decrease) in Cash and Cash equivalents	(0.64)	1.51	1.21

Cash Flows from Operating Activities

Net cash from operating activities for the fiscal 2022 was 14.64 lakhs as compared to the PBT of 68.20 lakhs for the same period. This difference is primarily on account of changes in trade and other receivables, change in inventories and other current assets.

Net cash from operating activities in fiscal 2021 was 161.15 lakhs as compared to the PBT of 53.09 lakhs for the same year. This difference is primarily on account of changes in trade and other receivables and change in inventories.

Net cash from operating activities in fiscal 2020 was 262.53 lakhs as compared to the PBT of 154.03 lakhs for the same year. This difference is primarily on account of changes in trade and other receivables and changes in inventories.

Cash Flows from Investment Activities



In fiscal 2022 the net cash invested in investing activities was negative 16.06 lakhs. This was majorly on account of purchases of Plant & machinery.

In fiscal 2021, the net cash used in investing activities was negative 15.10 lakhs. This was majorly on account of purchase of fixed assets.

In fiscal 2020, the net cash used in investing activities was 19.18 lakhs. This was majorly on account of purchase of fixed assets.

Cash Flows from Financing Activities

Net cash from financing activities in fiscal 2022 was 0.78 lakhs. This was on account of proceeds from debt matching finance cost.

Net cash from financing activities in fiscal 2021 was negative 144.53 lakhs. This was on account of repayment of borrowings.

Net cash from financing activities in fiscal 2020 was negative 242.15 lakhs. This was on account of repayment of borrowings.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the period/ years under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

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

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page 20 and 139 respectively of this Draft Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

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

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*” on page 20 and 139 respectively of this Draft Prospectus respectively, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled “*Risk Factors*” on page 20 of this Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new services or increased prices

Increase in revenues are by and large linked to increase in volume of business activity and demand of our product thereby, serving more customers.

6. Status of any publicly announced new services or business segments

Please refer to the chapter titled “*Our Business*” on page 72 of this Draft Prospectus.



7. The extent to which the business is seasonal.

Our business is not seasonal in nature.

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

For fiscal 2022, the revenue from our top 5 and top 10 customers constituted approximately 53.39 % and 65.55% respectively of the revenue from operations. For further details, please refer chapter “*Our Business*” on page 72 of this Draft Prospectus.

9. Competition Conditions

We face competition from various domestic and international players in the market. We intend to continue competing rigorously to capture more market share and manage our growth in an optimal way. We expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors. Further we believe that our competition also depends on several factors which include changing business framework, competitive price, and established relationship with suppliers, brand recognition etc.



FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on March 31, 2022 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

(₹ in lakhs)

Nature of Borrowing	Amount
Secured borrowings (Refer note A below)	287.85
Unsecured borrowings (Refer note B below)	89.86
Total	377.71

A. Details of Secured Loans

(₹ in lakhs)

Name of Lenders	Sanction Letter Date	Nature of the Facility	Amount Sanctioned	Amount outstanding as at March 31, 2022	Interest Rate and Security
State Bank of India	Bank OD	April 18, 2022	450.00	283.14	RLLR 1.5+6.65 % = 8.15 %
Ford Credit India Limited	Car Loan	April 10,2019	7.58	0.24	8% to 15%
The federal Bank Limited	Car Loan	August 11,2017	44.53	4.47	8% to 15%
TOTAL			502.11	287.85	

Interest Rate and Security Details

(1) Details of security for term Loan:

- i. Primary Security : BMW 520D Sport line
- ii. Gaurantee : The above term loan is covered under gauranteed from Mr. Nayak M.V

(2) Details of security for Working capital demand facility:

- i. Primary Security : Extension of charge on entire present and future current assets of the Company including raw materials, stock under work in progress, finished goods, book debts, and all other current assets of the Company created out of Bank finance.
- ii. Collateral security : Mortgage of factory Land & Building situated at Plot number M-44, at MIDC Taloja Industrial area Palekhurd Panvel, Raigad,410208(Rural) & Entire Plant & Machinery installed in all the premises of Rex Sealing and Packing Industries (both owned and leased premises)
- iii. Gaurantee : The above term loan is covered under gauranteed cover from Manjunath Nayak, Niranjan Nayak, Naresh Nayak & Meeta Nayak.

B. Details of Unsecured Borrowings

Our Company availed unsecured loans as at March 31, 2022; details of which are set out below:

(₹ in lakhs)

Name of Lenders	Amount outstanding as at March 31, 2022
Loan form directors and its relatives	89.86
Total	89.86

Note: Loan form directors and its relatives carries interest @ 0% to 12% p.a .



SECTION VII – LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no:

A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors or Promoter. Our Board, in its meeting held on August 08, 2022 determined that all litigations pertaining to the company, its directors/promoter/group companies which are in the nature of criminal, statutory/regulatory and taxation related are deemed material by the Board. Further, the Board considers all other litigation pertaining to the company, its directors/promoter/group companies which are above a claim amount equal to or exceeding 10% of Turnover of the Company, as per the last audited financial statements of the Company or such litigations outcome have a material impact on the business, operations, prospects or reputations of the Company. (“Material Litigation”)

B. Disciplinary actions including penalty imposed by SEBI or stock exchanges against the Promoter in the last 5 (five) Financial years including outstanding action.

C. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on August 08, 2022 determined that all outstanding dues owed by the Company to small scale undertaking and other creditors exceeding 10% of the revenue of our Company as per the audited previous full year financial statements are considered as material by our Board and the same will be disclosed in the Annual report of the Company. Details of outstanding dues to creditors(including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at www.rexseal.com

Our Company, Directors and Promoter are not Wilful Defaulter or a Fraudulent Borrower.

LITIGATION INVOLVING OUR COMPANY

A. LITIGATION AGAINST OUR COMPANY

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

Sr.No	Particulars	No. of Cases	Assessment Year	Amount in dispute/demanded
1.	Income Tax	1	2014-2015	2.35 Lakhs

(ii) Indirect Taxes Liabilities

Sr.No	Type of Indirect Tax	No. of Cases	Assessment Year	Amount in dispute/demanded
1.	GST	1	2019-2020	37.49 Lakhs
2.	GST	1	2020-2021	0.08 Lakhs
3.	CST	1	2014-2015	8.28 Lakhs
4.	CST	1	2015-2016	6.23 Lakhs

Sr.No	Type of Indirect Tax	No. of Cases	Assessment Year	Amount in dispute/demanded
5.	CST	1	2016-2017	29.11 Lakhs
6.	CST	1	2017-2018	6.49 Lakhs
7.	MVAT	1	2014-2015	4.87 Lakhs
8.	MVAT	1	2015-2016	5.51 Lakhs
9.	MVAT	1	2016-2017	1.97 Lakhs
10.	MVAT	1	2017-2018	0.70 Lakhs

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR COMPANY

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR DIRECTORS

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING OUR PROMOTER

A. LITIGATION AGAINST OUR PROMOTER

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Tax Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR PROMOTER

1. Litigation Involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

LITIGATION INVOLVING GROUP COMPANY

A. LITIGATION AGAINST OUR GROUP COMPANY

1. Litigation involving Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities

NIL

4. Other Pending Litigations

NIL

B. LITIGATION FILED BY OUR GROUP COMPANY

1. Criminal matters

NIL

2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

NIL

(ii) Indirect Taxes Liabilities



NIL

4. Other Pending Litigations

NIL

Amounts owed to small scale undertakings and other creditors

As of March 31, 2022, our Company owes the following amounts to small scale undertakings, other creditors and material creditors:

Particulars	Number of Creditors	Amount involved (Rs. in lakhs)
Micro, Small and Medium Enterprise	19	40.34
Material Creditors	-	-
Other Creditor	46	154.22
Total Creditors	65	194.56

Details in relation to the amount owed by our Company to material creditors, small scale undertakings and other creditors as on March 31, 2022 are also available on www.rexseal.com

It is clarified that information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.

Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoter in the last five financial years

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoter during the last 5 financial years including outstanding actions.

Material developments occurring after last balance sheet date

Except as disclosed elsewhere in this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER KEY APPROVALS

Our Company can undertake the Issue and our Company can undertake their respective current business activities, including on the basis of the list of material approvals provided below, and other than as stated below, no further material approvals from any regulatory authority are required to undertake the Issue or continue such business activities. Unless otherwise stated, these material approvals are valid as of the date of this Draft Prospectus.

I. APPROVALS FOR THE ISSUE

1. The Board of Directors have, pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act, 2013, by a resolution passed at its meeting held on August 08, 2022 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by special resolution passed in the extra ordinary general meeting held on August 19, 2022 authorized the Issue.
3. In-principle approval dated [●] from the BSE SME for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. Our Company's International Securities Identification Number (“ISIN”) is INE0MFT01014.

II. APPROVALS PERTAINING TO INCORPORATION

A. Approvals obtained by the Company

1. Certificate of Incorporation dated August 10, 2005 issued under the name Rex Sealing and Packing Industries Private Limited by Registrar of Companies.
2. Fresh Certificate of Incorporation dated August 01, 2022 issued by Registrar of Companies pursuant to conversion into a Public Limited Company Rex Sealing and Packing Industries Private Limited to Rex Sealing and Packing Industries Limited.
3. The Corporate Identity Number of the Company is U28129MH2005PLC155252 .

III. TAX AND LABOUR RELATED APPROVALS

A. Approvals obtained by the Company

Sr · N o.	Description	Registration / Approval / Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)*	AADCR1079A	Income Tax Department, Government of India	August 10, 2005	Valid until cancelled
2.	Registration Certificate of Goods and Service Tax (GST) *	27AADCR1079A1ZP	Goods and Service Tax Department	February 28, 2018	Valid until cancelled
3.	Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975*	99632367299P	Maharashtra Sales Tax Department	January 18, 2016	Valid until cancelled
4.	Certificate of Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975*	27450276781P	Maharashtra Sales Tax Department	January 01, 2010	Valid until cancelled
5.	Certificate of Registration under the Employee Provident	MH/VASHI/118697	Regional Provident Fund	March 13, 2009	Valid until

Sr. No.	Description	Registration / Approval / Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
	Fund*		Commissioner, Maharashtra		cancelled
6.	Certificate of Registration under the Employee State Insurance Act, 1948.*	34000163980000299	Asstt. Director, Employees' State Insurance Corporation	June 03, 2011	Valid until cancelled

The Company holds Tax Deduction Account Number (TAN) bearing registration number MUMR18969G issued by Income Tax Department, Government of India.

IV. KEY BUSINESS RELATED APPROVALS

A. Approvals obtained by the Company

Sr. No.	Description	Registration / Approval / Certificate Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Factory License under Factories Act, 1948 for Plot No. M- 44, MIDC Industrial Area Taloja, Near Bombay Beer, Taloja, Panvel, Raigarh - 410208, Maharashtra*	122002211900374	Directorate of Industrial Safety and Health	September 10, 2019	December 31, 2023
2.	Consent to Operate under Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Waste (M& TM) Rules, 2016*	Format 1.0/BO/RONM/UAN No. 0000088737	Maharashtra Pollution Control Board	February 09, 2022	October 31, 2024
3.	Udyam Registration Certificate*	MH-19-0031683	Ministry of Micro, Small and Medium Industries	January 05, 2021	Valid until cancelled
4.	Certificate of Importer - Exporter Code (IEC)*	0305057227	Directorate General of Foreign trade, Ministry of Commerce and Industry	November 21, 2005	-
5.	ISO 45001: 2018 (Occupational Health and Safety Management Systems)*	E202104078	Royal Assessments Pvt. Ltd	April 06, 2021	April 05, 2024
6.	ISO 9001: 2015 (Quality Management System)*	E202104076	Royal Assessments Pvt. Ltd	April 06, 2021	April 05, 2024
7.	ISO 14001 : 2015 (Environmental Management System)*	E202104077	Royal Assessments Pvt. Ltd	April 06, 2021	April 05, 2024
8.	Certificate for Use of a Boiler*	MR/S-16329	Maharashtra State, Boiler Inspection Department	December 05, 2021	November 23, 2022
9.	SSI Registration Certificate*	270241200046	District Industries Centre, Raigad - Alibag	October 22, 2007	-

* *Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company.*

V. INTELLECTUAL PROPERTY

For details regarding Intellectual Property, please refer chapter titled “Our Business” beginning on page no.67 of this Draft Prospectus.

VI. PENDING APPROVALS

A. Applied but not yet approved

Nil

B. Not Yet Applied

Our Company has not yet applied for the Fire NOC issued under the Maharashtra Fire Prevention and Life Safety Measures Act, 2006 for the Company’s unit located at Plot No.44, MIDC- Taloja Industrial Area, Palekhurd Panvel, Raigad – 410208.

SECTION IX – OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors have vide resolution dated August 08, 2022 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with shorter notice on August 19, 2022, in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

The Offer for Sale has been authorised by the Selling Shareholder by their consent letter dated August 05, 2022 and the No. of Equity Shares offered are as follows:

<i>Sr. No.</i>	<i>Name of Selling Shareholder</i>	<i>No. of Equity Shares Offered</i>
1.	<i>Naresh Nayak</i>	<i>Upto 1,00,000</i>
2.	<i>Niranjana Nayak</i>	<i>Upto 1,00,000</i>
3.	<i>Manjunath Nayak</i>	<i>Upto 1,00,000</i>
	Total	Upto 3,00,000

The Selling Shareholder has severally confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholder have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

The Company has obtained approval from BSE vide letter dated [•] to use the name of BSE in this Offer Document for listing of equity shares on the SME Platform of the BSE Limited. BSE Limited is the designated stock exchange.

Prohibition by SEBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, our Selling Shareholders, Promoters, Group Company and entities forming part of our Promoter Group, person in control of our Company from accessing the capital market or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI 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.

Prohibition by RBI

Neither our Company nor any of our Promoters, Selling Shareholders or Directors have been declared as wilful defaulter(s) by the RBI or any other governmental authority.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Draft Prospectus.

Association with Securities Market

We confirm that none of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “Risk factors”, “Our Promoters, Promoters Group” and “Outstanding Litigations and Material Developments” beginning on page nos. 20,107, and 149 respectively, of this Draft Prospectus.

Eligibility for the Issue

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer, whose post issue face value capital does not exceed ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the SME Platform of BSE Limited).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of SME platform of the BSE Limited.

- a. The Company was incorporated on August 10, 2005 with the Registrar of Companies, Mumbai under Companies Act, 1956.
- b. The Post-Issue paid up capital of the Company shall not be more than ₹ 10 Crores. The post Issue capital of our Company is ₹ 222.00 lakhs.
- c. Our Company has Net Tangible Assets of ₹ 180.83 lakhs which is more than ₹ 150 Lakhs.
- d. As per Restated Financial Statements, the Net Worth (excluding revaluation reserves) of the Company is ₹ 824.30 Lakhs.
- e. Our Company has a track record of three years as on date of filing of this Draft Prospectus.
- f. Our Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least 2 (two) financial years preceding the date of filing of this Draft Prospectus and the net worth of our Company is positive as per the latest audited financial statements.
- g. Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR).
- h. There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction or a liquidator has not been appointed.
- i. There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to BSE for listing on SME Platform of BSE.
- j. Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.
- k. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant Company.
- l. Our Company has a website: www.rexseal.com

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.
- Our Company has entered into an agreement dated July 12, 2022 with NSDL and agreement dated June 29, 2022, with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters are in dematerialised form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the fresh issue proceeds, excluding the amount to be raised through the proposed public issue or through existing identifiable internal accruals. For details, please refer the chapter “*Objects of the Issue*” on page no. 57 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (1) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrowers.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, in accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within four (4) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of fourth (4) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO 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 OFFER DOCUMENT. THE LEAD MERCHANT BANKER ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [•] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.

Note:

All legal requirements pertaining to the Issue will be complied with at the time of registration of this Draft Prospectus with the RoC in terms of section 26, 28 and 30 of the Companies Act, 2013.

Disclaimer from our Company, the Selling Shareholder, Directors and the Lead Manager

Our Company, the Selling Shareholder, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement.

All information shall be made available by our Company, the Selling Shareholders (to the extent that the information pertain to themselves and their respective portion of the Offered Shares) and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Applying Centers or elsewhere.

None among our Company or the Selling Shareholders 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.

Applying will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not Offer, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, 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, the Selling Shareholders and their respective group companies, 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 minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Prospectus does not, however, constitute an offer to sell or 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 himself 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 Mumbai 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, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the BSE

As required, a copy of the Draft Prospectus shall be submitted to the SME Platform of BSE Limited. The Disclaimer Clause as intimated by the SME Platform of BSE Limited to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

Disclaimer Clause under Rule 144A 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), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

Listing

Application have been made to SME Platform of BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the issue on its SME Platform of BSE Limited after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform of BSE Limited is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated [•] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE Limited.

Price Information of past issues handled by the Lead Manager

Sr. No	Issue Name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing	
1.	EP Biocomposites Limited	6.35	126	13-09-22	160.25	NA	NA	NA	NA	NA	NA
2.	Rhetan TMT Limited	56.00	70	05-09-22	70.00	NA	NA	NA	NA	NA	NA
3.	Modi's Navnirman Limited	22.68	180	06-07-22	189.00	75.00%	8.63%	NA	NA	NA	NA
4.	SP Refractories Limited	4.92	90	22-03-22	90.20	(11.11%)	0.45%	(8.89%)	(11.35%)	(11.11%)	1.24%
5.	Fabino Life Sciences Limited	3.24	36.00	13-01-22	38.45	(1.53%)	(5.03%)	(27.78%)	(4.73%)	(33.33%)	(12.00%)
6.	Suyog Gurbaxani Funicular Ropeways Limited	29.50	45.00	16-11-21	45.45	12.44%	(4.01%)	1.11%	(6.49%)	1.11%	(12.48%)
7.	CWD Limited	18.01	180.00	13-10-21	180.90	30.39%	(0.08%)	100.83%	(0.20%)	329.14%	(2.92%)
8.	Gretex Corporate Services Limited	5.13	170.00	09-08-21	172.00	9.38%	7.07%	19.29%	10.41%	17.65%	7.80%
9.	Times Green Energy (India) Limited	4.05	61.00	30-06-21	61.40	0.08%	0.20%	3.28%	13.69%	0.08%	9.41%
10.	Adeshwar Meditex Limited	9.75	25.00	28-06-21	25.25	0.20%	(0.55%)	14.00%	13.87%	44.20%	8.32%

Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (Rs. In Cr.)	No. of IPOs trading at discount - 30th calendar day from listing day			Nos. of IPOs trading at premium - 30th calendar day from listing day			No. of IPOs trading at discount - 180th calendar day from listing day			Nos. of IPOs trading at premium - 180th calendar day from listing day		
			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%
2022-23	3	85.03	0	0	0	1	0	0	0	0	0	0	0	0
2021-22	7	74.60	0	0	2	0	1	4	0	1	1	1	1	3
2020-21	4	46.47	0	1	0	0	0	3	1	0	0	1	0	2

Notes:

(1) Since the listing date of EP Biocomposites Limited was on September 13, 2022, information related to closing price and benchmark index as on the 30th, 90th and 180th Calendar day from the listing date is not available.

(2) Since the listing date of Rhetan TMT Limited was on September 05, 2022, information related to closing price and benchmark index as on the 30th, 90th and 180th Calendar day from the listing date is not available.

(3) Since the listing date of Modi's Navnirman Limited was on July 06, 2022, information related to closing price and benchmark index as on the 90th and 180th Calendar day from the listing date is not available.

(4) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.

(5) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

(6) Source: www.bseindia.com and www.nseindia.com BSE Sensex and Nifty Fifty as the Benchmark Indices



Track record of past issues handled by the Lead Manager

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – www.afsl.co.in

Stock Market Data of Equity Shares

This being an initial public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Consents

Consents in writing of: (a) The Selling Shareholders, the Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditor; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisor to the Issue, Banker to the Company*, Banker to the Issue*, Market Maker* and Underwriters* to act in their respective capacities, have been obtained and shall be filed along with a copy of this Prospectus with the RoC, as required under Section 26 and 28 of the Companies Act, 2013 and such consents shall not be withdrawn upto the time of delivery of this Prospectus for registration with the RoC.

**The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, B.B. Gusani & Associates, Chartered Accountants, have provided their written consent to the inclusion of their reports dated September 17, 2022 on Restated Financial Statements and to the inclusion of their reports dated September 17, 2022 on Statement of Tax Benefits, 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 consents and reports have not been withdrawn upto the time of filing of this Draft Prospectus.

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, B.B. Gusani & Associates LLP, 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 of the reports on the Statement of Tax Benefits dated September 17, 2022, and on the Restated Financial Statements dated September 17, 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.

Caution

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated September 12, 2022, the Underwriting Agreement dated [●] entered into among the Underwriter, and our Company and the Market Making Agreement dated [●] entered into among the Market Maker, Lead Manager and our Company. All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

CAPITAL ISSUE DURING THE LAST FIVE YEARS

Previous Public and Rights Issues

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.



Commission and Brokerage Paid on Previous Issues of our Equity Shares

Since this is an Initial Public Issue of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates

None of our Group Company / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years. We do not have any Group/Subsidiary/Associate company as on date of this Draft Prospectus.

Previous Issues of Equity Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 48 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Performance vis-à-Vis Objects

Issuer Company

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

Listed Subsidiaries / Promoters

We do not have any listed Subsidiary or Promoter Company as on date of this Draft Prospectus.

Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

Disposal of Investor Grievances

Mechanism for Redressal of Investor Grievances

The Company has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the 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 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 co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process 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 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 Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Board by a resolution on August 08, 2022 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Directors	Nature of Directorship	Designation in Committee
Priyanka Moondra Rathi	Non-Executive Independent Director	Chairman
Mayuri Bipinbhai Rupareliya	Non-Executive Independent Director	Member
Meeta Nayak	Non-Executive Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no. 95 of this Draft Prospectus.

Our Company has also appointed Saloni Patwa, as the Compliance Officer for the Issue and she may be contacted at the Registered Office of our Company.

Name: Saloni Patwa

Address: A-207, 2nd Floor, Plot No.711 A,

Byculla Services Industries,

D K Road, Ghodapdeo, Byculla (East)

Mumbai Mumbai City 400027.

Tel: +91 - 22 - 40021599

Email id: compliance@rexseal.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre Issue or post Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of Investor Grievances by Listed Companies under the same Management

None of our Group Companies / Associates / Subsidiaries is listed on any Stock Exchange as on the date of filing this Draft Prospectus.

SECTION X – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the 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(s), the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and/or any other authorities while granting its approval for the Issue.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced 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 Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors 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 Applicants 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”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

Ranking of Equity Shares

The Equity Shares being issued and transferred shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank *pari-passu* in all respects including dividend 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” are beginning from page no. 195 of this Draft Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale) will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on page nos. 113 and 195 of this Draft Prospectus.



Face Value and Issue Price

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of [●] per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "*Basis for Issue Price*" beginning on page no. 62 of this Draft Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI (ICDR) Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 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 our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- 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 and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see "*Main Provisions of Articles of Association*" beginning on page no. 195 of this Draft Prospectus.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- 1) Tripartite agreement dated June 29, 2022 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated July 12, 2022 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.

The Company's shares bear ISIN INE0MFT01014.

Market Lot and Trading Lot

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 and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants. Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

In accordance with Regulation 268 (1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within eight (8) Working days of closure of Issue.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale 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:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Issue

Our Company and Selling Shareholders in consultation with the Lead Manager, reserve the right not to proceed with the Fresh Issue in whole or in part thereof, to the extent of Issued Shares, at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two 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 and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants and the Escrow Collection Bank to release the Application Amounts to the Anchor Investors, if applicable, within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with the Lead Manager withdraw the Issue after the Application/ Issue Closing Date and thereafter determine that they will proceed with public Issue of the Equity Shares, our Company shall file a fresh Draft Prospectus with the Stock Exchanges.

Issue Programme

ISSUE OPENS ON	[●]
ISSUE CLOSES ON	[●]

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Closing Date	[●]
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 account of the Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation 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 the Stock Exchange are taken within 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 the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received upto the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public Issues, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the 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 or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

Minimum Subscription

This Issue is not restricted to any minimum subscription level.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received, if there is a



delay beyond eight (8) days, after our Company become liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest as prescribed under the SEBI Regulations, the Companies Act, 2013 and applicable laws.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the application law of such jurisdiction.

Arrangements for Disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

Application by Eligible NRIs, FPIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restrictions, if any on Transfer and Transmission of Equity Shares

The lock-in of the pre- Issue capital of our Company as provided in “*Capital Structure*” beginning on page no. 48 of this Draft Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page no. 195 of this 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.

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 Promoter, to acquire or receive any Equity Shares after the Issue.

Migration to Main Board

In accordance with the BSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of BSE for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI ICDR Regulation, our Company may migrate to the main board of BSE from the SME Platform of BSE on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the Company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares issued through this Issue are proposed to be listed on the SME Platform of BSE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on SME Platform of BSE. For further details of the market making arrangement please refer the chapter titled “*General Information*” beginning on page no. 40 of this Draft Prospectus.

ISSUE STRUCTURE

This issue is being made in terms of Regulation 229 (1) of the Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our post issue face value capital does not exceed ten crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled "*Terms of the Issue*" and "*Issue Procedure*" beginning on page nos. 167 and 176 respectively, of this Draft Prospectus.

Issue Structure

Initial Public Issue of upto 6,00,000 Equity Shares of ₹10 each (*the "Equity Shares"*) for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹[●] per Equity Share), aggregating upto ₹ [●] Lakhs (*"the Issue"*) consisting of Fresh issue of upto 3,00,000 Equity Shares aggregating upto ₹ [●] Lakhs by the Rex Sealing And Packing Industries Limited ("*RSPIL*" or *the "Company"*) and Offer for Sale of 3,00,000 Equity Shares aggregating upto ₹ [●] Lakhs by Promoter Selling Shareholders.

The Issue comprises a reservation of upto 33,600 Equity Shares of ₹10 each for subscription by the designated Market Maker (*"the Market Maker Reservation Portion"*) and Net Issue to Public of upto 5,66,400 Equity Shares of ₹10 each (*"the Net Issue"*). The Issue and the Net Issue will constitute 27.02% and 25.51%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

Particulars	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation ⁽¹⁾	Upto 5,66,400 Equity Shares	Upto 33,600 Equity Shares
Percentage of Issue Size available for Allocation	94.40 % of the Issue Size	5.60% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. ⁽¹⁾ For further details please refer section explaining the Basis of Allotment in the GID.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).	
Mode of Allotment	Compulsorily in dematerialised form.	
Minimum Application Size	<i>For Other than Retail Individual Investors:</i> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹2,00,000. <i>For Retail Individuals Investors:</i> [●] Equity Shares	Upto 33,600 Equity Shares
Maximum Application Size	<i>For Other than Retail Individual Investors:</i> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed 2,38,000 Equity Shares, subject to applicable limits to the Applicant. <i>For Retail Individuals Investors:</i> Such number of Equity Shares in multiples of [●] Equity Shares such that the application value does not exceed ₹ 2,00,000.	Upto 33,600 Equity Shares
Trading Lot	[●] Equity Shares	[●] Equity Shares. However the Market Maker may buy odd lots if

Particulars	Net Issue to Public	Market Maker Reservation Portion
		any in the market as required under the SEBI (ICDR) Regulations, 2018.
Who can Apply ⁽²⁾	<p><i>For Other than Retail Individual Investors:</i></p> <p>Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions societies and trusts.</p> <p><i>For Retail Individuals Investors:</i></p> <p>Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.</p>	Market Maker
Terms of Payment ⁽³⁾	The entire Application Amount will be payable at the time of submission of the Application Form.	
Application Lot Size	[●] Equity Share and in multiples of [●] Equity Shares thereafter	

⁽¹⁾ Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- i. Minimum fifty per cent to retail individual investors; and
- ii. Remaining to:
 - (a) individual applicants other than retail individual investors; and
 - (b) 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 (a) or (b) above may be allocated to the applicants in the other category.

²⁾ In case of joint Applications, 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. 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 the joint holders.

⁽³⁾ In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

ISSUE PROGRAMME

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form. On the Issue Closing Date applications will be accepted only between 10.00 a.m. to 4.00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1.00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Issue proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹)	Lot Size (No. of shares)
Upto 14	10,000
More than 14 upto 18	8,000
More than 18 upto 25	6,000
More than 25 upto 35	4,000
More than 35 upto 50	3,000
More than 50 upto 70	2,000
More than 70 upto 90	1,600
More than 90 upto 120	1,200
More than 120 upto 150	1,000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Issue stage the Registrar to Issue in consultation with Book Running Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading. At the Initial Public Offering stage if the price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into. For example: if the proposed price band is at 24-28 than the Lot size shall be [●] shares.

ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Applications by Retail Individual Applicant through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of 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 applications in cases of individual, multiple applications 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 (xiv) interest in case of delay in Allotment or refund.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced 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 Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 as amended from time to time, including pursuant to circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“UPI Phase I”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days 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 Issue has been considered to be made under UPI Phase II, till any further notice issued by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and 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 Issues and redressing investor grievances. These circulars, to the extent already in force, are deemed to form part of this Draft Prospectus

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicants shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company, the Selling Shareholders 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 and is not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Draft Prospectus.



Applicants are advised to make their independent investigations and ensure that their Application are submitted in accordance with 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.

Further, the Company, the Selling Shareholders and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three working days.

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 Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Reg. 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.



Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. 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 dematerialised segment of the Stock Exchanges.

APPLICATION FORM

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. RIIs are mandatorily required to use the UPI Mechanism for submitting their Applications to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their Applications directly to SCSBs.

RIIs applying using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Application Form and the Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Applicants (including Applicants using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. RIIs using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI

ASBA Applicants shall ensure that the Applications are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Applying Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIIs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Application Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Applicants must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Application

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour ⁽¹⁾
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

⁽¹⁾ Excluding electronic Application Form

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Application details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic applying system of the Stock Exchanges. 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. For ASBA Forms (other than RIIs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Applicants has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic Application with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Application details already uploaded



For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Application entered in the Stock Exchange bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Banker to an Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021

The Sponsor Bank will undertake a reconciliation of Application responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Application requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and Issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with Issuer banks and Sponsor Banks on a continuous basis

Electronic registration of Applications

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Issue on a regular basis before the closure of the Issue.

On the Issue Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchanges and as disclosed in the Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next working day following the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange(s) send the Application information to the Registrar to the Issue for further processing

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with 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.

Who Can Apply?

In addition to the category of Applicants set forth in the *General Information Document*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.



PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP

The LM shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non Institutional Portion as may be applicable to such Applicants. Such Applying and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the LM or any associates of the LM, except Mutual Funds sponsored by entities which are associates of the LM or insurance companies promoted by entities which are associate of LM or AIFs sponsored by the entities which are associate of the LM or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the LM nor; (ii) any “person related to the Promoter and members of the Promoter Group” shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoter and members of the Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoter and members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Our Promoters and members of our Promoter Group will not participate in the Issue, except in their capacity as Selling Shareholders tendering Equity Shares in the Offer for Sale

APPLICATION BY MUTUAL FUNDS

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company and the Selling Shareholders in consultation with Lead Manager, reserves the right to reject any Application, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with the SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that such Applications clearly indicate the scheme concerned for which the Application is submitted.

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 HUFs

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs may be considered at par with Applications from individuals.

APPLICATION BY ELIGIBLE NRIs

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Application Amount, at the time of the submission of the Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA regulations. NRIs applying in the Issue



through the UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such Application.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE / NRO accounts

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non- Residents (blue in colour).

For details of investment by NRIs, see “*Restrictions in Foreign Ownership of Indian Securities*” on page no. 194 of this Draft Prospectus. Participation of eligible NRIs shall be subject to NDI Rules

APPLICATION BY FPI

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be upto the sectoral cap applicable to the sector in which our Company operates (i.e., upto 100%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Applications without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for Issue Procedure, as prescribed by SEBI from time to time.

AFPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may Offer, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, 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

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- i. each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- ii. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Further, Applications received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Applications from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure “MIM Structure”) provided such Applications have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Applications received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Applications, FPIs making multiple Applications using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected

Participation of FPIs in the Issue shall be subject to the FEMA Rules

APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS (VCF) AND FOREIGN VENTURE CAPITAL INVESTORS (FVCI)

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the SEBI VCF Regulations venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only upto 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of their investible funds in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules

Our Company, the Selling Shareholders or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, and net of bank charges and commission.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company, the Selling Shareholders in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES



In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company, the Selling Shareholders in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

- a. 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 or 10% of investment assets in case of a general insurer or a reinsurer;
- b. The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health 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 M2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of M500,000 million or more but less than M2,500,000 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 PROVIDENT FUNDS / PENSION FUNDS

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of M25 Crores, 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, the Company, the Selling Shareholders in consultation with the Lead Manager reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY BANKING COMPANIES

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company, the Selling Shareholders in consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “Banking Regulation Act”), and 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 bank’s own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company may hold upto 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 or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank’s interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company’s paid-up share capital as stated in the Reserve



Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. Applications by banking companies should not exceed the investment limits prescribed for them under the applicable laws

APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Applications made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Application Form. Failing this, our Company, the Selling Shareholders in consultation with the Lead Manager, reserves the right to reject any Application without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

APPLICATIONS BY SCSBS

SCSBS participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBS are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBS. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

APPLICATION UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, 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 and provident funds with a minimum corpus of M250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, must be lodged along with the Application Form. Failing this, our Company and the Selling Shareholders in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company, the Selling Shareholders in consultation with the LM, in their 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 Selling Shareholders in consultation with the LM, may deem fit.

The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure any single Application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus or the Prospectus

In accordance with RBI regulations, OCBs cannot participate in the Issue.

Information for the Applicants

In addition to the instructions provided to the Applicants in the *General Information Document for Investing in Public Issues*, Applicants are requested to note the following additional information in relation to the Issue.

1. The Issue Period shall be for a minimum of three Working Days and shall not exceed ten working days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days
2. The relevant Designated Intermediary will enter each Application into the electronic applying system as a separate Application and generate an acknowledgement slip (“**Acknowledgement Slip**”), for each price and demand option and give the same to the Applicant. Therefore, a Applicant can receive upto three Acknowledgement Slips for each Application Form. It is the Applicant’s responsibility to obtain the TRS from the relevant Designated Intermediary.

The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.

3. In relation to electronic registration of Applications, the permission given by the Stock Exchanges to use their network and software of the electronic applying 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 compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the 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 or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
4. In the event of an upward revision in the Price, Retail Individual Applicants could either (i) revise their Application or (ii) shall make additional payment based on the revised Price (such that the total amount i.e., original Application Amount plus additional payment does not exceed ₹ 200,000. The revised Applications must be submitted to the same Designated Intermediary to whom the original Application was submitted. If the total amount (i.e., the original Application Amount plus additional payment) exceeds ₹ 200,000, the Applicant will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Applicant does not either revise the Application or make additional payment the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Applicant and the Retail Individual Applicant is deemed to have approved such revised Application.
5. In the event of a downward revision in the Price, Retail Individual Applicant may revise their Application; otherwise, the excess amount paid at the time of Application would be unblocked after Allotment is finalised.
6. Any revision of the Application shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Application.

The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Application(s) or lower the size of their Application(s) (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application(s) during the Issue Period and withdraw their Application(s) until Issue Closing Date

Do's:

- 1) Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their Applications through the ASBA process only;
- 2) Ensure that you have apply within the Price Band
- 3) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 4) Ensure that you have mentioned the correct ASBA Account number if you are not an RII applying using the UPI Mechanism in the Application Form and if you are an RII using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Application Form;
- 5) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Applications) within the prescribed time. Retail

Individual Applicants using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

- 6) RIIs Applying in the Issue shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIIs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
- 7) 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.
- 8) In case of joint Applications, ensure that first applicant is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first applicant is included in the Application Form;
- 9) Ensure that you request for and receive a stamped acknowledgement counterfoil by specifying the application number for all your Applications options as proof of registration of the Application Form for all your Applications options from the concerned Designated Intermediary;
- 10) If the first Applicants 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);
- 11) 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 Applications, 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. Ensure that the signature of the First Applicant is included in the Application Forms. PAN of the First Applicant is required to be specified in case of joint Applications;
- 12) Ensure that you submit the revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 13) Retail Individual Investors not using the UPI Mechanism, should submit their Application Form directly with SCSBs and not with any other Designated Intermediary;
- 14) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all 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 investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 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 correct investor category and the investor status is indicated in the Application Form;
- 17) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 18) Ensure that Applications submitted by any person outside India is in compliance with applicable foreign and Indian laws;

- 19) Application by Eligible NRIs for a Amount of less than M2,00,000 would be considered under the Retail Category for the purposes of allocation and Applications for a Amount exceeding M2,00,000 would be considered under the Non-Institutional Category for allocation in the Issue
- 20) Since the allotment will be in dematerialised form only, ensure that the Applicant's depository account is active, the correct DP ID, Client ID , PAN and UPI ID, if applicable, are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID , PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
- 21) In case of ASBA Applicants (other than Retail Individual Applicants using UPI Mechanism), ensure that while Applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Applying Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location 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>);
- 22) Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Issue Closing Date;
- 23) Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Issue is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website
- 24) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, 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. Application, in case of RIIs submitting their Applications and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Issue Amount and subsequent debit of funds in case of Allotment;
- 25) Retail Individual Applicants using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Applicant shall be deemed to have verified the attachment containing the application details of the Retail Individual Applicant in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
- 26) However, Applications received from FPIs bearing the same PAN shall not be treated as multiple Applications in the event such FPIs utilise the MIM Structure and such Applications have been made with different beneficiary account numbers, Client IDs and DP IDs;
- 27) FPIs making MIM Applications using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Applications are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Applications shall be rejected;
- 28) Retail Individual Applicants who wish to revise their Applications using the UPI Mechanism should submit the revised Applications with the Designated Intermediaries, pursuant to which RIIs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount in the RII's ASBA Account and
- 29) Ensure that the Demographic Details are updated, true and correct in all respects

The Application Form were liable to be rejected if the above instructions, as applicable, were not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 were liable to be rejected.

Don'ts:

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not submit a Application using UPI ID, if you are not a RII;
- 3) Do not Apply for a Amount exceeding ₹ 2,00,000 (for Applications by Retail Individual Applicants).
- 4) Do not pay the Application Amount in cheques, demand drafts or by cash, money order or postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
- 5) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 6) Do not Apply at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- 7) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not submit the Applications for an amount more than funds available in your ASBA account.
- 9) 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;
- 10) In case of ASBA Applicants, do not submit more than one ASBA Forms per ASBA Account;
- 11) If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
- 12) If you are a Retail Individual Applicant and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
- 13) Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- 14) Do not Apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 15) Do not submit the General Index Register (GIR) number instead of the PAN;
- 16) Do not submit incorrect details of the DP ID, Client ID PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- 17) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 18) Do not Apply 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 depository);
- 19) Do not submit a Application/revise aIssue Amount, with a price less than the Issue Price;
- 20) Do not submit your Apply after 3.00 pm on the Issue Closing Date;
- 21) If you are a QIB, do not submit your Application after 3:00 pm on the QIB Issue Closing Date;
- 22) Do not Apply on another ASBA Form after you have submitted a Application to any of the Designated Intermediaries;
- 23) Do not Apply for Equity Shares in excess of what is specified for each category;
- 24) Do not fill up the Application Form such that the Equity Shares Application 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 this Draft Prospectus;

- 25) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of RIIs Applying using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available;
- 26) 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, if you are a QIB or a Non-Institutional Applicants. Retail Individual Applicant can revise their Applications during the Issue Period and withdraw their Applications on or before the Issue Closing Date;
- 27) Do not Apply, if you are an OCB;
- 28) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by RIIs using the UPI Mechanism;
- 29) RIIs Applying through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
- 30) Do not submit more than one Application Form for each UPI ID in case of RIIs Applying using the UPI Mechanism; and
- 31) Do not submit Applications to a Designated Intermediary at a location other than Specified Locations. If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see “*General Information*” on page no. 40 on this Daft Prospectus

For helpline details of the LM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information - Lead Manager*” on page no. 40 on this Daft Prospectus

GROUND FOR REJECTIONS

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document for Investing in Public Offers*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications which do not contain details of the Application Amount and the bank account or UPI ID (for RIBs using the UPI Mechanism) details in the Application Form;
3. Applications submitted on plain paper;
4. Applications submitted by Retail Individual Applicants using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Applications under the UPI linked Mechanism submitted by Retail Individual Applicants using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Application submitted without the signature of the First Applicant or sole Applicants;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Applicant;

9. ASBA Form by the RIIs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July29, 2010;
11. GIR number furnished instead of PAN;
12. Application by Retail Individual Applicants with Application Amount for a value of more than ₹ 200,000
13. Applications by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Applications accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash;
15. Applications uploaded by QIBs after 4.00 p.m. on the QIB Issue Closing Date and by Non-Institutional Applicants uploaded after 4.00 p.m. on the Issue Closing Date, and Applications by Retail Individual Applicants uploaded after 5.00 p.m. on the Issue Closing Date, unless extended by the Stock Exchanges; and
16. Application by OCB.

Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

In addition to the instructions for completing the Application Form provided in the sub-section “*General Information Document for Investing in Public Offers – Applying in the Offer – Instructions for filing the Application Form / Application Form*” Applicants are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Applications must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Applications must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and in the Application Form.
3. Applications on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

DESIGNATED DATE AND ALLOTMENT

- (a) Our Company will ensure that the Allotment and credit to the successful Applicants’ depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Issue Closing Date or such other period as may be prescribed.
- (b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the LM and the Registrar to the Issue, 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

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares through the Offer Document except in case of over-subscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon over-subscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Applicants shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Applicants shall not be less than the minimum Application lot, subject to the availability of shares in Retail Individual Applicants portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on [●]
- b) For terms of the Underwriting Agreement please see chapter titled “*General Information*” beginning on page no. 40 of this Draft Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount.

Undertaking by our Company

Our Company undertakes the following:

- 1) If our Company does not proceed with the Issue after the Issue Closing Date but before allotment, then the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- 3) That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date or such other period as may be prescribed;
- 4) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within the time prescribed under applicable law or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15.00% per annum for the delayed period;
- 5) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;
- 6) That the Promoters' contribution in full, if applicable, shall be brought in advance before the Issue opens for subscription
- 7) That funds required for making refunds to unsuccessful applicants as per mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
- 8) No further Issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
- 9) That if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- 11) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- 12) That adequate arrangements shall be made to collect all Application Forms from Applicants; and
- 13) That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

Undertakings by Selling Shareholder

The Selling Shareholders undertakes the following in respect of itself as a Selling Shareholders and the Offered Shares:

- 1) that the Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances and are eligible to be a part of the Offer for Sale, in accordance with Regulation 8 of the SEBI ICDR Regulations and shall continue to be in dematerialised form at the time of transfer
- 2) that they are the legal and beneficial owner of and have full title to the Offered Shares
- 3) that they shall provide all support and cooperation as may be reasonably requested by our Company and the LM to the extent such support and cooperation is in relation to its Offered Shares and in relation to necessary formalities



for listing and commencement of trading at the Stock Exchanges, the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of the Offered Shares

- 4) that the Selling Shareholders specifically confirms that they shall not have any recourse to the proceeds of the Issue, until final listing and trading approvals have been received from the Stock Exchange
- 5) that they shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Applicants for making a Applications in the Issue, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Applications in the Issue, except as permitted under applicable law
- 6) that they shall not offer, lend, pledge, create lien, charge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Issue
- 7) that they will provide such assistance as may be required by our Company and LM acting reasonably, in redressal of such investor grievances that pertain to the Equity Shares being offered pursuant to the Issue and statements specifically made or confirmed by it in relation to itself as a Selling Shareholders;
- 8) that they shall transfer the Offered Shares to an escrow demat account in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement; and
- 9) The Selling Shareholders has authorised the Compliance Officer of our Company and the Registrar to the Issue to redress any complaints received from Applicants in respect of their Offered Shares

Utilization of Net Proceeds

Our Company specifically confirms and declares that:



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 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy upto 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 under the FDI Policy and FEMA.

The Government 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, Government of India (earlier known as Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which is effective from October 15, 2020 (the “FDI Policy”), which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted upto 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For details, see “Key Regulations and Policies” on page no. 84 of this Draft Prospectus .

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI

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 Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (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 the applicable state securities laws. Accordingly, the Equity Shares are 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) under Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of Equity Shares in the United States.

The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applications for do not exceed the applicable limits under laws or regulations.

SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association.

Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

Public Company

1. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

Share capital and variation of rights

2. (i) The Authorized Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.

(ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made there under, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions and at such times as the Directors think fit.
3. (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) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
4. (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 company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
5. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

6. (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 there under.
 - (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.
7. (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.
8. 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.
9. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

10. (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.

 - (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.
 - (iii) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.
11. 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.
12. (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.
13. (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

14. (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.
- (iv) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholder in a general meeting of the company.
15. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
17. (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.
18. (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.
19. 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 but shall not confer a right to dividend or to participate in profits.

Transfer of shares

20. (i) The Company shall use a Common form of transfer. 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.
21. 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.
22. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
23. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, 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.

24. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

Transmission of Shares

25. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (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.
26. (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.

27. (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.
28. 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

29. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
30. 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.
31. 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.
32. (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.
33. (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.
34. (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
- (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.

35. 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

36. 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. The Authorised Share Capital shall be as per the clause V (a) of Memorandum of Association of the company.

37. Subject to the provisions of section 61, the company may, by ordinary resolution,—

- (a) increase its authorised share capital by such amount as it thinks expedient.
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) 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.

38. 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.

39. 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

40. (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, Securities Premium Accounts 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);
- (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
41. (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.

Dematerialisation of Securities

42. **For the purpose of this Article:-**

"Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

"Member": Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

"Security": Security shall mean such security as may be specified by SEBI.

"Dematerialisation of Securities": Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

"Option to hold securities in physical form or with depository": Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

"Beneficial Owner may opt out of a Depository": Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

"Securities in Depositories to be in fungible form": All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

"Rights of depository and beneficial owners": A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

"Transfer of securities": Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

"Register and Index of beneficial owners": The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

"Other matters": Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

Nomination

43. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.



The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 58A of the Act.

Buy-Back of Shares

44. 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

45. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
46. (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

47. (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.
- (iii) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
- (iv) 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.
- (v) 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

48. (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

49. 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.

50. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
51. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
52. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
53. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
54. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
55. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

56. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
57. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
58. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

59. The minimum number of Directors shall be 3 and maximum number of directors shall be 15. The following shall be the First Directors of the Company:
1. Mr.Niranjan Manjunath Nayak
 2. Ms.Meeta Manjunath Nayak
 3. Mr. Naresh Manjunath Nayak
 4. Mr.Manjunath Venkatpathi Nayak
60. (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting.

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.

61. The Board may pay all expenses incurred in getting up and registering the company.

62. 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.

63. 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.

64. 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.

65. (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

66. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

(iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(iv) 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. A committee may elect a Chairperson of its meetings.
71. 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.
72. (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.
73. 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.
74. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

75. 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.
76. 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.

Managing Director

77. The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.
78. Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

The Seal

79. (i) The Board shall provide for the safe custody of the seal.
(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

80. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
81. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
82. (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.
83. (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.
84. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
85. (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
86. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
87. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
88. No dividend shall bear interest against the company.

89. No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

Accounts

90. (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

91. 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.
92. 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.
93. 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

94. 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 XII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered 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 Draft Prospectus which will be delivered to the RoC for registration. Copies of the above mentioned contracts and also the documents for inspection referred to here under, may be inspected at the Corporate Office between 10 a.m. and 5 p.m. on all Working Days from Application/ Issue Opening Date until the Application/Issue Closing Date.

1) Material Contracts

- (c) Memorandum of Understanding dated September 12, 2022 between our Company and the Lead Manager.
- (d) Memorandum of Understanding dated September 12, 2022 between our Company and the Registrar to the Issue.
- (e) Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Lead Manager, Escrow Collection Bank(s) / Sponsor Bank and the Registrar to the Issue.
- (f) Market Making Agreement dated [●] between our Company, the Lead Manager and Market Maker.
- (g) Underwriting Agreement dated [●] between our Company, the Lead Manager and the Market Maker.
- (h) Share Escrow Agreement dated [●] between the Selling Shareholder, our Company, the Lead Manager and the Share Escrow Agent
- (i) Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated June 29, 2022
- (j) Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated July 12, 2022.

B. Material Documents

- 1) Certified true copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.
- 2) Copy of Certificate of Incorporation dated August 10, 2005 issued under the name Rex Sealing and Packing Industries Private Limited by Registrar of Companies
- 3) Copy of Fresh Certificate of Incorporation dated August 01, 2022 issued by Registrar of Companies consequent to name change from Rex Sealing and Packing Industries Private Limited to Rex Sealing and Packing Industries Limited pursuant to the conversion of our Company into a Public Limited Company.
- 4) Resolution of the Board of Directors dated August 08, 2022 in relation to the Issue.
- 5) Resolution of the Shareholders of our Company, passed at the Extra-Ordinary General Meeting held with shorter notice on August 19, 2022 in relation to the Issue.
- 6) Peer Review Auditor's report for Restated Financials dated September 17, 2022 included in this Draft Prospectus.
- 7) The Statement of Tax Benefits dated September 17, 2022 from our Peer Review Auditors included in this Draft Prospectus.
- 8) Consents of our Directors, Selling Shareholders, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Banker(s) to the Company*, Banker to the Issue*, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Underwriters* and Market Maker* to act in their respective capacities.



**The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

- 9) Due Diligence Certificate(s) dated [●] to SEBI by the Lead Manager.
- 10) Approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of the BSE Limited.



DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Naresh Nayak
Managing Director

Date:

Place:



DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Niranjan Nayak
Whole Time Director

Date:

Place:



DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Manjunath Nayak
Whole Time Director

Date:
Place



DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Meeta Nayak
Non-Executive Director

Date:
Place



DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Mayuri Bipinbhai Rupareliya
Non-Executive Independent Director

Date:
Place



DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Priyanka Moondra Rathi
Non-Executive Independent Director

Date:
Place



DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER:

Sd/-

Niranjan Nayak
Chief Financial Officer

Date:
Place



DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER:

Sd/-

Saloni Patwa

Company Secretary & Compliance Officer

Date:

Place



DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by it in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

SD/-

Naresh Nayak

Date:

Place: Mumbai



DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by it in the Offer are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

SD/-

Niranjan Nayak

Date:

Place: Mumbai



DECLARATION BY SELLING SHAREHOLDER

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by it in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any expert or any other person(s) in this Draft Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

SD/-

Manjunath Nayak

Date:

Place: Mumbai