



**DRAFT PROSPECTUS**  
**Dated: February 04, 2022**  
 (The Draft Prospectus will be updated upon filing with the RoC)  
**100% FIXED PRICE ISSUE**  
 (Please read section 32 of the Companies Act, 2013)



## EMPYREAN CASHEWS LIMITED

CORPORATE IDENTITY NUMBER: U74120MH2014PLC254748

| REGISTERED OFFICE   |               | CONTACT PERSON  |
|---|---------------|---|
| 1309, Lodha Supremus Powai, Saki Vihar Road, opposite MTNL<br>Office, Mumbai - 400072, Maharashtra, India |               | <b>Rahul Suresh Gawande</b><br>Company Secretary and Compliance Officer |
| EMAIL   | TELEPHONE     | WEBSITE   |
| <a href="mailto:cs@krishival.com">cs@krishival.com</a>  | +918779558264 | <a href="http://www.krishival.com">www.krishival.com</a>                |

**OUR PROMOTERS: APARNA MORALE BANGAR, NANA PRAKASH MHASKE AND ANANT PANDURANG KULKARNI**

| Type        | Fresh Issue Size (In Lakh) | Eligibility 229(1) / 229(2) & Share Reservation among NII & RII   |
|-------------|----------------------------|---|
| Fresh Issue | ₹ 1,941.39 Lakhs           | The Issue is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations.<br>As the Company's post issue paidup capital is more than 10.00 Cr. and upto 25.00 Cr. |

### RISK IN REALTION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10/- each and the Issue Price is 3.7 times the face value. The Issue Price (determined and justified by our Company and the Selling Shareholder in consultation with the Lead Manager) as stated under section titled “*Basis for Issue Price*” beginning on page no. 66 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 RISK

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 section titled “*Risk Factors*” beginning on page no. 19 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 respect to our Company and the Issue, which is material in the context of the Issue; that the information contained in the 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 no other facts, the omission of which makes this Draft Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the Emerge Platform of the National Stock Exchange of India Limited (“NSE EMERGE”). In terms of the Chapter IX of the SEBI ICDR Regulations, as amended from time to time, our Company has received in-principal approval letter dated [●] from NSE EMERGE for using its name in this Issue document for listing our shares on the NSE EMERGE. For the purpose of this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



**Systematix Corporate Services Limited**

**Tel:** +91 22 6704 8000

**Email:** [mb.ipo@systematixgroup.in](mailto:mb.ipo@systematixgroup.in)

**Investor Grievance Id:** [investor@systematixgroup.in](mailto:investor@systematixgroup.in)

**Contact Person:** Manish Tejwani/Jinal Sanghvi



**Purva Share Registry (India) Private Limited**

**Tel:** + 91 22 23012518/8261

**Email:** [support@purvashare.com](mailto:support@purvashare.com);

**Investor Grievance Id:** [support@purvashare.com](mailto:support@purvashare.com)

**Contact Person:** Rajesh Shah/Purva Shah/ Deepali Dhuri

### ISSUE PROGRAMME

**BID/ISSUE OPENS ON:** [●]

**BID/ISSUE CLOSES ON:** [●]



## EMPYREAN CASHEWS LIMITED

Our Company was incorporated as a private limited company vide certificate of incorporation dated March 21, 2014 bearing corporate identity number U74120MH2014PTC254748 issued by Registrar of Companies, Mumbai, Maharashtra. Subsequently pursuant to a special resolution passed at the Extra Ordinary General Meeting dated November 08, 2021 our Company was converted from a private limited company to a public limited company and consequently the name of our Company was changed to 'Empyrean Cashews Limited' and a fresh certificate of incorporation dated November 22, 2021 bearing corporate identification U74120MH2014PLC254748 number was issued by the Registrar of Companies, Mumbai, Maharashtra. For further details please see section titled 'History and Certain Corporate Matters' beginning on page no 112 of this Draft Prospectus.

**Registered Office:** 1309, Lodha Supremus Powai, Saki Vihar Road, opposite MTNL office, Powai Mumbai - 400072, Maharashtra, India  
**Tel No.:** +91 8779558264; **Email** [cs@krishival.com](mailto:cs@krishival.com); **Website:** [www.krishival.com](http://www.krishival.com);  
**Contact Person:** Rahul Suresh Gawande, Company Secretary and Compliance Officer

### PROMOTERS OF OUR COMPANY: APARNA MORALE BANGAR, NANA PARAKASH MHASKE AND ANANT PANDURANG KULKARNI

#### THE ISSUE

INITIAL PUBLIC ISSUE CONSISTING OF FRESH ISSUE OF UPTO 52,47,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF EMPYREAN CASHEWS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 37/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 27/- PER EQUITY SHARE) AGGREGATING UPTO ₹ 1,941.39 LAKHS (THE "ISSUE"). OF WHICH UP TO 2,64,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E., NET ISSUE OF 49,83,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00/- EACH AT A PRICE OF ₹ 37/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 27/- PER EQUITY SHARE AGGREGATING TO ₹ 1,843.71 LAKHS (THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.50 % AND 25.18% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE SEE SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO 221 OF THIS DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS ₹ 37/- PER EQUITY SHARE, I.E., '3.7' TIMES OF THE FACE VALUE OF THE EQUITY SHARES. THE MINIMUM LOT SIZE IS 3,000 EQUITY SHARES

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS ISSUE IS AT LEAST 25.00% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253(2) OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE SEE SECTION TITLED "ISSUE PROCEDURE" ON PAGE 230 OF THIS DRAFT PROSPECTUS.

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to section titled "Issue Procedure" on page 230 of this Draft Prospectus. A copy of Prospectus will be filed with the Registrar of Companies for filing in accordance with Section 26 of the Companies Act, 2013.

#### RISK IN RELATION TO FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 3.7 times the face value. The Issue Price (determined and justified by our Company and the Selling Shareholder in consultation with the Lead Manager) as stated under section titled "Basis for Issue Price" beginning on page no. 66 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 section titled "Risk Factors" beginning on page no. 19 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 respect to our Company and the Issue, which is material in the context of the Issue; that the information contained in the 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 no other facts, the omission of which makes this Draft Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

#### LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the Emerge Platform of the National Stock Exchange of India Limited ("NSE EMERGE"). In terms of the Chapter IX of the SEBI ICDR Regulations, as amended from time to time, our Company has received in-principal approval letter dated [●] from NSE EMERGE for using its name in this Issue document for listing our shares on the NSE EMERGE. For the purpose of this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited.

#### LEAD MANAGER TO THE ISSUE



**Systematix Corporate Services Limited**  
 The Capital, A-Wing, No. 603-606 6th Floor, Plot No. C-70, G-Block Bandra-Kurla Complex, Bandra (East) Mumbai -400 051 Maharashtra, India  
**Tel:** +91 22 6704 8000; **Fax:** +91-22-6704 8022  
**Website:** [www.systematixgroup.in](http://www.systematixgroup.in)  
**Email:** [mb.ipo@systematixgroup.in](mailto:mb.ipo@systematixgroup.in)  
**Investor Grievance Id:** [investor@systematixgroup.in](mailto:investor@systematixgroup.in)  
**Contact Person:** Manish Tejwani/Jinal Sanghvi  
**SEBI Registration No:** INM000004224

#### REGISTRAR TO THE ISSUE



**Purva Share Registry (India) Private Limited**  
 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East), Mumbai – 400 011.  
**Tel:** + 91 22 23012518/8261  
**Fax:** + 91 22 23012517  
**Website:** [www.purvashare.com/](http://www.purvashare.com/)  
**Email:** [support@purvashare.com](mailto:support@purvashare.com);  
**Investor Grievance Id:** [support@purvashare.com](mailto:support@purvashare.com)  
**Contact Person:** Rajesh Shah/Purva Shah/ Deepali Dhuri  
**SEBI Registration No:** INR000001112

#### ISSUE PROGRAMME

**BID/ISSUE OPENS ON: [●]**

**BID/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, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1992 (“SCRA”), the Depositories Act, 1996, as amended and the rules and regulations made there under, as applicable.*

*Notwithstanding the foregoing, terms in “Main Provisions of Articles of Association”, “Issue Procedure” “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “Financial Information”, “Outstanding Litigation and Other Material Developments” and “Government and Other Approvals”, will have the meaning ascribed to such terms in these respective sections.*

### GENERAL TERMS

| Terms  | Description  |
|--|--|
| “Empyrean Cashews Limited”, “ECL”, “Company”, “The Company”, “Our Company”, “Issuer Company”, “Issuer” | Unless the context otherwise indicates or implies, “Empyrean Cashews Limited” a public limited company incorporated under the provisions of Companies Act, 1956 having its registered office at 1309, Lodha Supremus Powai, Saki Vihar Road, opposite MTNL office, Powai Mumbai City, Maharashtra – 400072, India. |
| “we”, “our” or “us”  | Unless the context otherwise indicates or implies, refers to our Company.  |
| Our Promoters or Promoters of the Company  | The promoters of our Company being “Aparna Morale Bangar”, “Nana Prakash Mhaske” and “Anant Pandurang Kulkarni”  |

### COMPANY RELATED TERMS

| Terms                                    | Description  |
|--|--|
| Articles, Articles of Association or AoA | The Articles of Association of Company as amended from time to time.   |
| Auditor/Statutory Auditor                | The Statutory Auditors of our Company, being <i>M/s Tamanna Parmar and Associates, Chartered Accountants</i> having their office at 223, North Ayad, Udaipur (Rajasthan) – 313001    |
| Audit Committee                          | Audit Committee of our Company constituted in accordance with Companies Act, 2013 as disclosed in the section titled “ <b>Our Management</b> ” on page 117 of this Draft Prospectus. |
| “Board of Director” or “the/our Board”   | Unless otherwise specified, the Board of Directors of our Company, as duly constituted from time to time, including any committees thereof.  |
| “CFO”, “Chief Financial Officer”         | The Chief Financial Officer of our Company being Anant Pandurang Kulkarni.   |
| Companies Act                            | The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such provisions that are in force.   |
| Company Secretary & Compliance Officer   | The Company Secretary and Compliance Officer of our Company being Rahul Suresh Gawande   |
| DIN                                      | Director’s Identification Number   |
| Equity Shares                            | The Equity Shares of our Company of face value ₹10/- each, fully paid up, unless otherwise specified in the context thereof.   |

|  |   |
|--|---|
| Equity Shareholders  | Persons/Entities holding Equity Shares in our Company   |
| Face Value   | The face value of our Equity Shares, being ₹10/- per Equity Shares.   |
| Group Companies  | Such companies with which there were related party transactions, during the period for which financial information is disclosed in this Draft Prospectus, which are covered under the applicable accounting standards and other companies as considered material by our Board, as identified in section titled “ <b>Our Group Company</b> ” on page 141 of this Draft Prospectus  |
| HUF  | Hindu Undivided Family  |
| IFRS   | International Finance and Reporting Standards   |
| Ind AS   | Indian Accounting Standards   |
| Ind GAAP   | Generally Accepted Accounting Principles of India.  |
| Independent Director   | Non-executive and Independent Director as per the Companies Act, 2013   |
| IT Act   | The Income Tax Act, 1961 as amended till date   |
| JV/Joint Venture   | A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.   |
| ISIN   | International Securities Identification Number. In this case being ‘ <b>INE0GGO01015</b> ’  |
| KMP/Key Managerial Personnel   | Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013 and as disclosed in the section titled “ <b>Our Management</b> ” beginning on page no. 117 of this draft prospectus  |
| MD   | Managing Director of the Company  |
| Materiality Policy   | The policy on materiality of group companies, material creditors and material litigation, adopted by our Board on November 09, 2021 in accordance with SEBI (ICDR) Regulations  |
| Memorandum/ Memorandum of Association  | The Memorandum of Association of our Company as amended from time to time   |
| Nomination and Remuneration Committee  | Nomination and Remuneration Committee of our Company constituted in accordance with Companies Act, 2013 as disclosed in the section titled “ <b>Our Management</b> ” on page 117 of this Draft Prospectus   |
| Non-residents  | A person resident out of India, as defined under FEMA Regulations, 2000   |
| Peer Review Auditor  | Independent Auditor having a valid peer review certificate in our case being <i>M/s Tamanna Parmar &amp; Associates, Chartered Accountants</i> having its office at 223, North Ayad, Udaipur (Rajasthan) – 313001.  |
| Promoter Group   | Includes such persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “ <b>Our Promoter and Promoter Group</b> ” beginning on page no. 135 of this draft prospectus.  |
| Registered Office  | Registered office of our Company is presently situated at 1309, Lodha Supremus Powai, Saki Vihar Road, opposite MTNL office, Powai Mumbai City, Maharashtra 400072 India.   |
| Audited Restated Financial Statements/Restated Financial Information/Restated Financial Statements | Restated statement of assets and liabilities as at October 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019; and the restated statement of profit and loss and restated statement of cash flows for the seven (7) months period ended on October 31, 2021 and for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 and the summary statement of significant accounting policies and other explanatory notes. The Interim Audited Financial Statements have been compiled by our Company for the seven (7) months period ended on October 31, 2021 prepared in accordance with accounting standards and restated in accordance with the SEBI ICDR Regulations, Guidance Note on Reports in Company Prospectuses (Revised 2019) by the Institute of Chartered Accountants of India and Section 26 of Part I of Chapter III of Companies Act, 2013 as amended issued. |
| RoC/Registrar of Companies   | The Registrar of Companies, Mumbai, Maharashtra.  |
| SEBI   | Securities and Exchange Board of India constituted under the SEBI Act, 1992   |
| Subscriber to MoA  | Initial Subscribers to MoA  |

|                                     |   |
|-------------------------------------|---|
| Subsidiary Company/ Our Subsidiary  | Siddhivinayak Cashew Industries Private Limited as disclosed in section titled “ <b><i>Our Subsidiary</i></b> ” on page 115 of this Draft Prospectus  |
| Stakeholders Relationship Committee | Stakeholder’s Relationship Committee of our Company constituted under Companies Act, 2013 as disclosed in the section titled “ <b><i>Our Management</i></b> ” on page no. 117 of this Draft Prospectus.   |
| Willful Defaulter(s)                | A person or an issuer who or which is categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by Reserve Bank of India, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations 2018. |

## ISSUE RELATED TERMS

| Terms  | Description   |
|--|---|
| Acknowledgement Slip                                   | The slip or document issued by Designated Intermediary to the Applicant as proof of having accepted the Application Form  |
| Allot/Allotted/Allotment of Equity Shares              | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of the Equity Shares to the successful Applicants.  |
| Allotment Advice                                       | Note or advice or intimation of Allotment sent to the Applicants who have been allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.  |
| Allottee(s)  | A successful Applicant(s) to whom the Equity Shares have been/are being allotted  |
| Applicant/Investor                                     | Any prospective investor who makes an application pursuant to the terms of the draft prospectus and the Application Form.   |
| Application  | An indication to make an offer during the Issue Period by an applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.   |
| Application Amount                                     | The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form   |
| Application Form                                       | The Form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Prospectus.  |
| Application Supported by Blocked Amount or ASBA or UPI | An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account including the bank account linked with UPI ID.<br><br>Pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor |
| ASBA Account   | A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a Retail Individual Investor which is blocked upon acceptance of a UPI Mandate Request made by the Retail Individual Investors using the UPI Mechanism  |
| ASBA Applicant(s)                                      | Any prospective investors in this Issue who apply for the Equity Shares of our Company through the ASBA process in terms of this draft prospectus.  |
| ASBA Forms   | An application form (with or without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the draft prospectus.  |
| ASBA Application Location(s)/ Specified Cities         | Such branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.  |

|   |   |
|---|---|
| Banker to the Issue                         | Banks which are clearing members and registered with SEBI as banker to the issue and with whom the Public Issue Account will be opened, in this case being Axis Bank Limited having their office at Nehru nagar, Belgaum II, 590010   |
| Banker to the Issue Agreement               | Agreement dated February 03, 2022 entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue.  |
| Basis of Allotment                          | The Basis of which the Equity Shares will be allotted to successful Applicants under the Issue, as described in the section titled “ <b><i>Basis of Allotment</i></b> ” beginning on page no. of this Draft Prospectus.   |
| Business Day                                | Monday to Saturday (except 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of a month and public holidays)   |
| Client ID                                   | Client Identification Number maintained with one of the Depositories in relation to the demat account   |
| Collection Centers                          | Centers at which the Designated Intermediaries shall accept the ASBA Account  |
| Collecting Depository Participant or CDP    | 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. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI  |
| Controlling Branches of SCSBs               | Such branches of SCSBs which co-ordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is provided on <a href="http://www.sebi.gov">http://www.sebi.gov</a> or at such other website as may be prescribed by SEBI from time to time.   |
| Demographic Details                         | The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account Details.  |
| Depository/Depositories                     | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL.   |
| Depository Participant/DP                   | A depository participant as defined under the Depositories Act, 1966  |
| Designated CDP Locations                    | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="https://www1.nseindia.com/emerge/">https://www1.nseindia.com/emerge/</a>   |
| Designated Date                             | The date on which relevant amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the casemay be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue. |
| Designated Intermediaries/ Collecting Agent | An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).   |
| Designated RTA Locations                    | Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RATs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., <a href="https://www1.nseindia.com/emerge/">https://www1.nseindia.com/emerge/</a>  |
| Designated Stock Exchange                   | Emerge Platform of National Stock Exchange of India/ NSE EMERGE   |
| Dun & Bradstreet/ D&B                       | Dun & Bradstreet Information India Private Limited  |
| Draft Prospectus                            | The Draft Prospectus dated February 04, 2022 issued in accordance Section 26 & 32 of Companies Act, 2013 filed with NSE Emerge under the SEBI (ICDR) Regulations.   |
| DP  | Depository Participant  |
| DP ID                                       | Depository Participant’s Identity Number  |
| Eligible NRIs                               | NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this draft prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof  |
| Eligible QFIs                               | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom   |



|                                     |                    |   |
|-------------------------------------|--------------------|---|
|                                     |                    | the draft prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants   |
| Electronic Funds                    | Transfer of        | Refund through ECS, NEFT, Direct Credit of RTGS as applicable.  |
| FII/Foreign Investors               | Institutional      | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws of India.   |
| First/Sole Applicant                |                    | The Applicant whose name appears first in the Application Form  |
| Foreign Venture Capital Fund        |                    | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.   |
| FPI/Foreign Investors               | Portfolio          | A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended. |
| IPO                                 |                    | Initial Public Offering   |
| IPO Committee                       |                    | The duly formed committee of our Company constituted pursuant to resolution passed by our Board on December 24, 2021 to facilitate the process of the Issue, as described in section titled ' <b>Our Management</b> ' on page 117 of this Draft Prospectus.   |
| Issue/Public Size/Initial Issue/IPO | Issue/Issue Public | Public Issue of 52,47,000 Equity Shares of Face Value of ₹10/- each of our Company for cash at the price of ₹37/- per Equity Share at aggregating up to 1,941.32 Lakhs by our Company, in terms of this Draft Prospectus.   |
| Issue Agreement                     |                    | The Issue Agreement dated February 03, 2022 executed between our Company and the Lead Manager.  |
| Issue Closing Date                  |                    | The date on which Issue closes for Subscription being [●]   |
| Issue Opening Date                  |                    | The date on which Issue opens for Subscription being [●]  |
| Issue Period                        |                    | Period between the Issue opening date and Issue closing date, inclusive of both dates, during which the prospective Investors can submit their application.   |
| Issue Price                         |                    | The Price at which Equity Shares are being issued by the Company being ₹37/- per Equity Share.  |
| Issue Proceeds                      |                    | The proceeds of the Issue as stipulated by the Company. For information about the Issue Proceeds please see section titled " <b>Objects of the Issue</b> " beginning on page no. 59 of this Draft Prospectus.   |
| Lead Manager/LM                     |                    | Means merchant banker registered with SEBI and appointed by Issuer to manage the Issue. Lead Manager to the Issue, in this case being " <i>M/s Systematix Corporate Services Limited</i> "  |
| Market Maker                        |                    | Market Maker to the Issue being, <i>M/s Systematix Shares and Stocks (India) Limited</i>  |
| Mutual Fund(s)                      |                    | Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time  |
| Net Proceeds                        |                    | The Issue Proceeds, less the Issue related expenses, received by the Company.   |
| Non-Institutional Investors of NIIs |                    | All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹ 2.00 Lakh (but not including NRIs other than Eligible NRIs).   |
| Other Investor                      |                    | Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for  |
| Prospectus                          |                    | The prospectus dated [●] filed with the RoC in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013 and SEBI ICDR Regulations   |
| Public Issue Account                |                    | The Bank Account opened with the Banker(s) to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCBSs from the bank accounts of the ASBA Accounts on the Designated Date.   |
| Qualified Buyers or QIBs            | Institutional      | A qualified institutional buyer defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.   |

|  |  |
|--|--|
| Registered Brokers   | Stockbrokers registered with the stock exchanges having nationwide terminals, other than members of the Syndicate  |
| Registrar and Share Transfer Agents of 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, in this case being <i>M/s Purva Shareregistry India Private Limited</i>  |
| Registrar Agreement  | The agreement dated February 03, 2022 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue   |
| Regulations  | SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.   |
| Reserved Category/Categories   | Categories of persons eligible for making applications under the Reservation Portion   |
| Retail Individual Investors/RIIs   | Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹2.00 Lakh in this Issue   |
| Revision Form  | The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable  |
| Self-certified Syndicate Bank(s) or SCSB(s)  | Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time   |
| Specified Locations  | Collection Centers where the SCSBs shall accept application forms, a list of which is available on the website of the <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> and updated from time to time.   |
| SEBI ICDR Regulations/ ICDR Regulation   | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.  |
| SEBI Insider Trading Regulations   | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time   |
| SEBI Takeover Regulations/ SEBI (SAST) Regulations   | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.   |
| SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR) | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended thereto, including instructions and clarifications issued by SEBI from time to time.   |
| SEBI (Venture Capital) Regulations   | Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.   |
| Transaction Registration Slip /TRS   | The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application   |
| Underwriter  | Underwriter to the Issue being, <i>M/s Systematix Corporate Services Limited</i>   |
| UPI  | Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.  |
| UPI Circulars  | SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number |

|                    |  |
|--------------------|--|
|                    | SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number 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 the UPI for single-window mobile payment system developed by the NPCI  |
| UPI Mechanism      | The bidding mechanism that may be used by a Retail Individual Investor in accordance with the UPI Circulars to make an ASBA Bid in the Issue   |
| U.S Securities Act | U.S. Securities Act, 1933, as amended  |
| Working Days       | “Working day” means all days on which commercial banks in the city as specified in the issue document are open for business. However, till issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the issue document are open for business. The time period between the bid/issue closing date and the listing of the specified securities on the stock exchanges, working day shall mean all trading days of the stock exchanges, excluding Sundays and bank holidays, as per circulars issued by the Board, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of regulation 2(1)(mmm) of SEBI ICDR Regulations 2018. |

## TECHNICAL AND INDUSTRY RELATED TERMS

| Term   | Description  |
|--------|--|
| APEDA  | Agricultural and Processed Food Products Export Development Authority  |
| RCN    | Raw Cashew Nuts  |
| BCD    | Basic Customs Duty   |
| B2B    | Business to Business   |
| B2C    | Business to Consumer   |
| CEPCI  | Cashew Export Promotion Council of India                               |
| CPI    | Consumer Prices Index  |
| DAC&FW | Department of Agriculture, Cooperation and Farmers Welfare             |
| DCCD   | Directorate of Cashew and Cocoa Development                            |
| DFTP   | Duty Free Tariff Preference  |
| DIPP   | Department of Industrial Policy and Promotion                          |
| DUNS   | Data Universal Numbering System  |
| EGMM   | Employment Generation and Marketing Mission                            |
| EMDEs  | Emerging Market and Developing Economies                               |
| FPO    | Food Processing Organizations  |
| FSSAI  | Food Safety and Standards Association of India                         |
| FSR    | Financial Stability Report   |
| GAV    | Gross Value Added  |
| GDP    | Gross Domestic Product   |
| HoReCa | Hotels Restaurants Cafes   |
| IIFPT  | Indian Institute of Food Processing Technology                         |
| ISO    | International Organization for Standardization                         |
| LDC    | Least Developed Countries  |
| MIDH   | Ministry of Integrated Development of Horticulture                     |
| MIDC   | Maharashtra Industrial Development Corporation                         |
| MOFPI  | Ministry of Food Processing Industries                                 |
| MOSPI  | Ministry of Statistics and Programme Implementation                    |
| MNCs   | Multi-National Companies   |
| MSEB   | Maharashtra State Electricity Board                                    |
| NABL   | National Accreditation Board for Testing and Calibration Laboratories  |
| NBFC   | Non-Banking Financial Companies  |
| NIFTEM | National institute of Food Technology, Entrepreneurship and Management |

|        |  |
|--------|--|
| PAN    | Presence Across Nation                             |
| PLI    | Production-Linked Incentive                        |
| RCMC   | Registration-Cum-Membership Certificate            |
| SWOT   | Strength Weakness Opportunities and Threats        |
| UNCTAD | United Nations Conference on Trade and Development |

## CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS

| Term                                       | Description   |
|--|---|
| A.Y./AY                                    | Assessment Year   |
| 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 |
| CAGR                                       | Compounded Annual Growth Rate   |
| Category I Foreign Portfolio Investor(s)   | FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations.  |
| Category II Foreign Portfolio Investor(s)  | FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations.   |
| Category III Foreign Portfolio Investor(s) | FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations.  |
| CST Act                                    | Central Sales Tax Act, 1956   |
| CGST                                       | Central GST   |
| Cm   | Centimeter  |
| DIN  | Director Identification Number  |
| DIPP                                       | Department of Industrial Policy & Promotion   |
| EGM  | Extraordinary General Meeting   |
| EPA  | The Environment Protection Act, 1986  |
| EPFA                                       | The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952   |
| EPS  | Earnings Per Share  |
| ESIC                                       | Employee State Insurance Corporation  |
| ESOP                                       | Employee Stock Option Plan  |
| ESPS                                       | Employee Stock Purchase Scheme  |
| ESI Act                                    | The Employees’ State Insurance Act, 1948  |
| F.Y./FY                                    | Financial Year  |
| FEMA                                       | Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under.  |
| FEMA 2000                                  | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000  |
| FII Regulations                            | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.   |
| FII(s)                                     | Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India                                      |
| Ft   | Foot  |
| FTP  | Foreign Trade Policy  |
| Fugitive economic offender                 | An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018  |
| GOI/ Government                            | Government of India   |
| Gratuity Act                               | The Payment of Gratuity Act, 1972   |
| GST Act                                    | The Central Goods and Services Tax Act, 2017  |
| HNI  | High Net worth Individual   |
| HUF  | Hindu Undivided Family  |

|                             |  |
|-----------------------------|--|
| I. T. Act                   | The Income Tax Act, 1961, as amended from time to time   |
| ICAI                        | Institute of Chartered Accountants of India  |
| IFRS                        | International Financial Reporting Standards  |
| INR                         | Indian National Rupee  |
| IT Authorities              | Income Tax Authorities   |
| IEM                         | Industrial Entrepreneurs Memorandum  |
| IFSC                        | Indian Financial System Code   |
| Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.                       |
| SEBI VCF Regulations        | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations |
| MCA                         | The Ministry of Corporate Affairs, GoI   |
| MSME                        | Micro, Small and Medium Enterprise   |
| MWA                         | Minimum Wages Act, 1948  |
| Mn                          | Million  |
| MoEF                        | Ministry of Environment and Forests  |
| MoU                         | Memorandum of Understanding  |
| Mutual Funds                | Mutual funds registered with the SEBI under the Securities and Exchange  |
| N/A or N.A.                 | Not Applicable   |
| NAV                         | Net Asset Value  |
| NOC                         | No Objection Certificate   |
| NR                          | Non-Resident   |
| NSDL                        | National Securities Depository Limited   |
| p.a.                        | per annum  |
| P/E Ratio                   | Price Earnings Ratio   |
| PAN                         | Permanent Account Number   |
| PAT                         | Profit After Tax   |
| PBT                         | Profit Before Tax  |
| QFI(s)                      | Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations  |
| RBI                         | Reserve Bank of India  |
| RBI Act                     | The Reserve Bank of India Act, 1934, as amended from time to time  |
| RoC                         | Registrar of Companies   |
| SCRA                        | Securities Contracts (Regulation) Act, 1956 as amended from time to time   |
| SCRR                        | Securities Contracts (Regulation) Rules, 1957  |
| SCSB                        | Self-Certified Syndicate Bank  |
| SGST                        | State GST  |
| SME                         | Small Medium Enterprise  |
| SSI Undertaking             | Small Scale Industrial Undertaking   |
| TAN                         | Tax Deduction Account Number   |
| TIN                         | Taxpayers Identification Number  |
| TNW                         | Total Net Worth  |
| Unit-1/Processing Unit      | Processing Unit situated at Gat.no.12, Village Halkarni, Taluka Chandgad, District   |
| Unit-2/ Packaging Unit      | Packaging Unit situated at Gat.no.89/B, Village Shinoli, Taluka Chandgad.  |
| U.K.                        | United Kingdom   |
| U.S.A.                      | United States of America   |
| VAT                         | Value Added Tax  |
| VCF / Venture Capital Fund  | Foreign Venture Capital Funds (as defined under the Securities and Exchange  |
| Wages Act                   | Payment of Wages Act, 1936   |
| WCA                         | The Workmen's Compensation Act, 1923   |
| y-o-y                       | Year over year   |

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION.**

All references to “India” contained in this Draft Prospectus are to the Republic of India. All references in this Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

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

In this draft prospectus, the terms “The Company”, “Our Company”, “The Issuer”, “Empyrean”, “ECL”, and “Empyrean Cashews Limited” unless the context otherwise indicates or implies, refers to “Empyrean Cashews Limited”.

In this draft prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lakhs / Lakhs”, the word “Crore” means “ten million” and the word “billion (Bn)” means “one hundred crores”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **FINANCIAL DATA**

Unless stated otherwise, the financial information in this Draft Prospectus comprises of Restated statement of assets and liabilities as at October 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019; and the restated statement of profit and loss and restated statement of cash flows for the seven (7) months period ended on October 31, 2021 and for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 and the summary statement of significant accounting policies and other explanatory notes. The Interim Audited Financial Statements have been compiled by our Company for the seven (7) months period ended on October 31, 2021 prepared in accordance with accounting standards and restated in accordance with the SEBI ICDR Regulations, Guidance Note on Reports in Company Prospectuses (Revised 2019) by the Institute of Chartered Accountants of India and Section 26 of Part I of Chapter III of Companies Act, 2013 as amended issued as stated in the report of our Peer Reviewed Auditor, set out in the section titled “**Financial Information**” beginning on page no. 144 of this Draft Prospectus.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year.

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

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Prospectus, including in the sections titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page no. 19, 99 and 184 respectively, have been calculated on the basis of the restated audited financial statements of our Company included in this Draft Prospectus.

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

In this Draft Prospectus, references to “Rupees” or “Rs.” or “INR” or “Rs” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

### **INDUSTRY AND MARKET DATA**

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been derived from publicly available information as well as industry publications and sources. Although, we believe that the industry and market data used in this Draft Prospectus is reliable, neither we nor the Lead Manager nor any of their

respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this draft prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "**Risk Factors**" beginning on page no. 19 of this Draft Prospectus. Accordingly, investment decisions should not be based on such information.

Certain information in "**Industry Overview**" and "**Our Business**" on pages 75 and 99 respectively of this Draft Prospectus has been obtained, derived or extracted from the industry report titled "**Industry Report on Indian Casdhw Market**" prepared by Dun & Bradstreet Information India Private Limited dated November 01, 2021 which has issued the following disclaimer:

## EXCHANGE RATES

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

(₹ in lakhs)

| Currency | October 31, 2021* | March 31, 2021 | March 31, 2020 | March 31, 2019^ |
|----------|-------------------|----------------|----------------|-----------------|
| 1 USD    | 74.78             | 73.50          | 75.38          | 69.17           |
| 1 EUR    | 87.26             | 86.10          | 83.05          | 77.70           |
| 1 GBP    | 103.10            | 100.95         | 93.08          | 90.48           |
| 100 JPY  | 65.86             | 54.43          | 69.65          | 62.52           |

Source FBIL Reference Rate as available on <https://www.fbil.org.in/#/homerbi>

\*Exchange rate as on October 29, 2021 considered as exchange rate is not available due to October 31, 2021 being a Sunday.

^Exchange rate as on March 29, 2019 considered as exchange rate is not available due to March 30, 2019 being a Saturday and March 31, 2019 being a Sunday.

## FORWARD-LOOKING STATEMENTS

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

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward looking statements. All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward looking statements.

These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this draft prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the section titled “**Risk Factors**”; “**Industry Overview**”; “**Our Business**”; and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**”; beginning on page no. 19, 75, 99 and 184 respectively, of this Draft Prospectus.

The forward-looking statements contained in this Draft Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Certain important factors that could cause actual results to differ materially from our Company’s expectation include, but are not limited to, the following:

- Impact of Covid-19 on our business and operations.
- General economic and business conditions in India and other countries;
- Increase in price and material components;
- Increased competition in industry in which we operate;
- Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them;
- Our failure to keep pace with rapid changes in technology;
- Our ability to successfully implement our strategy, our growth and expansion, our exposure to market risks that have an impact on our business activities or investments;
- Our ability to attract and retain qualified personnel;
- Our ability to manage risks that arise from these factors;
- Any adverse outcome in the legal proceedings in which we are involved;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Changes in the value of the Rupee and other currencies;
- The occurrence of natural disasters or calamities; and

For further discussion on factors that could cause actual results to differ from expectations, see “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 19, 99 and 184 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.



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

Forward-looking statements reflect current views as of the date of this Draft Prospectus 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. Neither our Company, our Directors, the LM 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 the SEBI ICDR Regulations, our Company and the LM will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Issue.

## SUMMARY OF THE ISSUE DOCUMENT

*This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the sections entitled “Risk Factors”, “Industry Overview”, “Outstanding Litigation and Other Material Developments”, “Promoter and Promoter Group”, “Financial Information”, “Objects of the Issue”, “Our Business”, “Issue Procedure” and “Main Provisions of Articles of Association” on pages 19, 75, 205, 135, 144, 59, 99, 228 and 260 respectively.*

### A. Summary of Business

The Company is engaged in processing raw cashew nuts into finished cashew kernels with different grades and flavours along with organic manure. It markets its products under the brand name of “**KRISHIVAL CASHEWS**”. Krishival cashews are supplied to consumers across 26+ tier II & tier III towns spread across India. Our Company is also engaged in selling organic manure which is prepared by using byproducts like husk and other biodegradable material collected from leftovers of raw cashews processing. Our Company primarily caters to the domestic market with a presence of more than thirty (30) distributors spread across India.

For further details, please see section titled “**Our Business**” on page 99 .

### B. Industry Overview

Cashew industry is one of the oldest traditional and growing industries in India and has a great economic value along with an estimated market size of ₹265Bn by Fiscal 2025. India is the second the largest producer of Raw Cashew Nuts with estimated processing of capacity 1.70 Mn metric tonnes as largest consumer of cashew in the world. India also continued to remain the second largest exporter of cashew kernels in the world and exported cashew worth ₹29.1Bn during 2020-21. Besides above, the sector provides gainful employment to over 1.5 million workers in the farms and factories.

For further details, please see section titled “**Industry Overview**” on page 75.

### C. Our Promoters

As on date of this Draft Prospectus, our Company has three (3) Promoters, namely;

1. Aparna Morale Bangar
2. Nana Prakash Mhaske
3. Anant Pandurang Kulkarni

### D. Size of the Issue

|                                 |  |
|---------------------------------|--|
| <b>Equity Shares issued</b>     | Issue of 52,47,000 Equity Shares of ₹10/- each for cash at a price of ₹37/- per Equity Share (including premium of ₹27/- per Equity Share) aggregating upto ₹1,941.39 Lakhs                      |
| <b>Consisting of:</b>           |  |
| <b>Issue</b>                    | 52,47,000 Equity Shares of ₹10/- each of our Company for cash at a price of ₹37/- per Equity Share (including premium of ₹27/- per Equity Share) aggregating upto ₹ 1,941.39 Lakhs.              |
| <b>of which</b>                 |  |
| <b>Market Maker Reservation</b> | 2,64,000 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹ 37/- per Equity Share (including premium of ₹ 27/- per Equity Share) aggregating upto ₹97.68 Lakhs.   |
| <b>Net Issue to the Public</b>  | 49,83,000 Equity Shares of ₹ 10/- each fully paid-up of our Company for cash at a price of ₹37/- per Equity Share (including premium of ₹27/- per Equity Share) aggregating upto ₹1,843.71 Lakhs |

The Issue shall constitute 26.51 % of the post-issue paid up equity share capital of our Company.

## E. Objects of the Issue

The Net Proceeds of the Issue are proposed to be used in accordance with the details provided in the following table:

| (₹ in Lakhs)                 |                 |
|------------------------------|-----------------|
| Particulars                  | Amount          |
| Working Capital Requirements | 1,500.00        |
| General Corporate Purposes   | 374.14          |
| <b>Total</b>                 | <b>1,874.14</b> |

## F. Summary of Financial Information

Following are the details as per the Audited Restated Financial Information as at and for the Financial

Years ended on March 31, 2021, 2020 and 2019 and for seven (7) months period ended October 31, 2021:

| (₹ in Lakhs, except per share data)  |                  |                |                |                |
|--|------------------|----------------|----------------|----------------|
| Particulars  | October 31, 2021 | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| Total Share Capital  | 1,454.81         | 1,454.81       | 1,454.81       | 1,454.81       |
| Total Net Worth  | 2,110.63         | 1,943.94       | 1,938.25       | 1,722.14       |
| Total Revenue  | 2,684.59         | 2,813.14       | 4,394.95       | 4,997.66       |
| Profit After Tax   | 166.69           | 66.74          | 95.60          | 64.95          |
| Earnings per Share<br>(Basic)  | 1.15             | 0.46           | 0.66           | 0.47           |
| Earnings per share<br>(Diluted)  | 1.15             | 0.46           | 0.66           | 0.47           |
| Net Asset Value per<br>equity share (based on<br>actual no. of equity<br>shares at the end of the<br>year) | 14.51            | 13.36          | 13.32          | 11.84          |
| Total borrowings   | 1,152.43         | 1,334.41       | 1,061.60       | 870.82         |

## G. Shareholding of Promoter and Promoter Group

| Category of Promoter | Pre-issue     |                                  |
|----------------------|---------------|----------------------------------|
|                      | No. of shares | As a % of paid-up Equity Capital |
| 1. Promoter          | 82,90,641     | 56.99                            |
| 2. Promoter Group    | Nil           | Nil                              |

## H. 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. The section addresses general risks associated with the industry in which we operate and specific risks associated with our Company.

For further details, please see section titled “*Risk factors*” beginning on page 19.

## I. Summary of contingent liabilities

As on date of the Draft Prospectus, our Company is subject to a contingent liability amounting to ₹ 25.75 Lakhs which is attributable to the income tax litigation involving our Company.

For further details with respect to litigation and contingent liabilities, please see sections titled “*Outstanding Litigation and Material Developments*” and “*Summary of Financial Information*” on page 205 and 38

respectively.

## J. Summary of Related Party transactions

### Transactions carried out with related parties in ordinary course business

| (₹ in Lakhs)                                  |   |                  |                |                |                |
|---|---|------------------|----------------|----------------|----------------|
| Nature of transactions                        | Name of Related Parties                       | October 31, 2021 | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| <b>1. Director Remuneration</b>               | Nana Prakash Mhaske                           | 8.05             | 13.80          | 14.54          | 13.80          |
|   | Anant Pandurang Kulkarni                      | 7.00             | 12.00          | 12.00          | 12.00          |
|   | Aparna Morale Bangar                          | 17.50            | 30.00          | 30.00          | 30.00          |
|   | Amol Arun Morale                              | 1.65             | 9.00           | 8.90           | 6.00           |
| <b>2. Reimbursement Expenses of Directors</b> | Nana Prakash Mhaske                           | 1.11             | 3.11           | 4.72           | 1.49           |
|   | Aparna Morale Bangar                          | 0.13             | 0.07           | 1.84           | 2.63           |
|   | Anant Pandurang Kulkarni                      | -                | -              | 1.78           | 0.58           |
|   | Amol Arun Morale                              | -                | -              | 1.42           | 0.90           |
| <b>3. Rent Income</b>                         | SSBA Innovations Private Limited              | 1.44             | 3.41           | 3.86           | 3.45           |
|   | SSB Capital Advisors                          | 1.44             | 3.41           | 3.86           | 3.46           |
| <b>4. Advances to creditors</b>               | Modi Co                                       | -                | 341.73         | -              | -              |
|   | SSB Capital Advisors                          | -                | 11.71          | 11.71          | -              |
| <b>5. Loan &amp; Liability</b>                | Nana Prakash Mhaske                           | 5.00             | 14.00          | 20.00          | 20.00          |
|   | Anant Pandurang Kulkarni                      | 11.00            | 8.00           | 15.00          | 15.00          |
|   | Empyrean Enviro                               | -                | 307.22         | -              | -              |
|   | Aparna Morale Bangar                          | -                | -              | -              | 5.00           |
|   | Empyrean Speciality Sugar and Biomass Limited | -                | -              | -              | 2.00           |
|   |   |                  |                |                |                |
| <b>6. Salary</b>                              | Sujit Sudhakar Bangar                         | -                | -              | 40             | 72.75          |
| <b>7. Investment</b>                          | S A Trading                                   |                  |                |                |                |
|   | Capital Account                               | 60.96            | 60.96          | -              | -              |
|   | Current Account                               | 0.10             | 0.10           | 0.10           | -              |
| <b>8. Loans &amp; Advances</b>                | Empyrean Enviro                               | -                | -              | -              | 216.55         |
| <b>9. Sale</b>                                | Sujit Sudhakar Bangar                         | -                | -              | 132.13         | -              |
|   | Empyrean Enviro                               | -                | -              | 211.14         | 315.70         |
|   | Empyrean Speciality Sugar and Biomass Limited | -                | -              | 280.55         |                |
| <b>10. Purchase</b>                           | Empyrean Enviro                               | 170.00           | -              | -              | -              |

For further details regarding ‘*List of Related Parties and Nature of Relationship*’ and ‘*Outstanding Balance at the end of the year*’ please see Annexure XXXI(A) and Annexure XXXI(C) of “*Restated Statement of Related Party Disclosures*” of “*Financial Information*” on page 144 of this Draft Prospectus

## K. Weighted average price at which the equity shares acquired by each of our Promoters

The weighted average price at which the equity shares acquired by each of our Promoters is ₹10/- per Equity Share.

**L. Average cost of acquisition of shares**

Average cost of acquisition of shares by our Promoters is ₹10/- per Equity Share

For further details, please see the section “*Capital Structure*” on page 49 of this Draft Prospectus.

**M. Details of pre-IPO placement**

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

**N. Split or consolidation of Equity Shares in the last one year**

No split or consolidation of equity shares has been made in the last one year prior of this Draft Prospectus.

## SECTION II- RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Prospectus, including the risks and uncertainties described below, before evaluating us and our business and making an investment in our Equity Shares. The risks described below are not the only ones that we currently face or are relevant to us or our Equity Shares and the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition, cash flows or prospects. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, any of our businesses, results of operations, financial condition, cash flows or prospects could be adversely affected, the trading price of our Equity Shares could decline and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with “**Our Business**”, “**Industry Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 99, 75 and 184 respectively, as well as the financial, statistical and other information contained in this Draft Prospectus.*

*To the extent the COVID-19 pandemic negatively affects our business and results of operations, it may also have the effect of heightening many of the other risks described in this section. In making an investment decision, you must rely on your own examination of us and the terms of the Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. For details, please see section titled “**Forward-Looking Statements**” on page 13.*

*Unless otherwise indicated, industry-related information contained in this section is derived from the ‘Cashew Industry Report’ prepared by Dun & Bradstreet. We commissioned and paid for the ‘Industry Report on Indian Cashew Market’ for the purposes of confirming our understanding of the industry in connection with the Issue. For further details and risks in relation to commissioned reports, see “**Internal Risk Factors - We have referred to the data derived from the industry report prepared by Dun & Bradstreet Information Services Private Limited which has been commissioned and paid for by us for the purposes of confirming our understanding of the industry in connection with the Issue.**” on page 24.*

*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.*

### INTERNAL RISK FACTORS

#### **1. The Coronavirus disease (COVID-19) pandemic has substantially affected and may continue to affect our business, results of operations, financial condition and cash flows in the future.**

The outbreak of the COVID-19 pandemic, as well as the measures taken by the Government of India to reduce the spread of COVID-19, have had a substantial impact on our operations since the last week of March 2020 and further from April 2021. Further, the duration of the COVID-19 pandemic continues to remain uncertain, particularly since various mutations of the virus have emerged in several countries. In some cases, some of these mutations are reported to be more virulent.

Our sales have since started to recover post the pandemic period, although not exactly similar to the levels prior to outbreak of COVID-19. During the subsistence of the COVID-19 pandemic, there was a significant decline in demand of cashew and dry fruit related products division due the imposition of lockdown and strict containment measures, resulting into substantial fall in the consumption of cashews. Additionally, the Company’s office also experienced closures and employees have been restricted from commuting to their places of work. Consequently, the financial impact of COVID-19 has had, and is expected to continue to have, an adverse effect on the Company’s business and financial condition and result of operations.

While we have assessed the impact of the COVID-19 pandemic on our business, given the uncertainties

associated, we will continuously monitor and consider necessary the impact the COVID-19 pandemic has on our financial conditions, results of operation and cash flows.

For further details of our business and financial statement, please see section titled “***Our Business***” beginning on page 99 of this Draft Prospectus.

***2. If we are unable to foresee or respond effectively to significant competition, our business, results of operations and financial condition could be adversely affected.***

Our Company faces competition in the dry-fruit industry in general and the cashews segment in particular, from both organized and unorganized, and potential new entrants to the segment, who may have more flexibility in responding to changing business and economic conditions. Some of our competitors may have greater financial resources or a more experienced management team than us. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated or lower cost solutions than we do, which may have a negative effect on our sales. Further, our competitors may offer their products at more aggressive prices which also could adversely affect our sales.

We may also face competition from existing, experienced competitors willing to accept low margins on investment in order to enter new markets as well as from business conglomerates willing to cross subsidize a new business in order to enter new markets. We cannot assure you that we will be able to continue to compete effectively with our competitors.

Our failure to compete effectively, including any delay in responding to changes in the industry and market conditions, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability. A significant increase in competition could exert downward pressure on prices, lower demand for our products, an inability to take advantage of new business opportunities and a loss of market share, all of which would adversely affect our business, financial condition, results of operations and prospects.

For further details of our business, please see section titled “***Our Business***” beginning on page 99 of this Draft Prospectus.

***3. We require certain approvals or licenses in the ordinary course of business and the failure to renew, obtain or retain them in a timely manner, or at all, may adversely affect our operations.***

We are governed by various applicable laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits for carrying out our processing and packaging activities. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business. An inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations. Our Company has applied for consent to operate under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 for its Unit-1/Processing Unit situated at Gat No.12, Village Halkarni, Taluka Chandgad, district Kolhapur and the same is pending for approval before the applicable regulatory authorities. Further our Company has obtained the consent to operate under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981 for Unit -2/Packaging Unit situated at Gat.no.89/B, Village Shinoli, Taluka Chandgad which has been inadvertently misplaced and not available for presentation.

Furthermore, approvals, licenses, clearances, and consents covering the same subject matter are often required at State Government levels. If we fail to comply, or a regulator claims that we have not complied, with these conditions, we may not be able to commence or continue with work or operate these projects. Our Company has applied for certain licenses, approvals and consents to applicable statutory authorities for its processing and packaging units which are currently pending. For further information on various approvals or licenses required in connection with our operations, please see the section titled “***Government and other Statutory Approvals***” on page 210 of this Draft Prospectus.

***4. Our marketing and advertising campaigns may not be successful in increasing the popularity of our products. If our marketing initiatives are not effective, this may affect the popularity of our products which could have collateral negative effect on sales.***

Our Company undertakes certain marketing and advertising initiatives with the purpose of increasing the visibility of our brand which include television commercials, print publication, radio, digital media, public relations, consumer offers, roadshows and advertisements on regional channels in the states in which our Company has presence

Further, our revenues are influenced by marketing and advertising of our products through various means. We rely to a large extent on our senior management's experience in defining our marketing and advertising programmes. If our senior management leads us to adopt unsuccessful marketing and advertising campaigns, we may fail to attract new customers. If our marketing and advertising programmes are unsuccessful, our results of operations could be materially adversely affected.

In addition, increased spending by our competitors on advertising and promotion could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business.

**5. *There is one outstanding legal proceeding involving our Company. Any adverse decision in such proceeding may have a material adverse effect on our business, results of operations and financial condition.***

Our Company is involved in a legal proceeding which is pending with regulatory authorities. A summary of the pending proceeding involving the Company is provided below:

Cases against our Company

| (₹ in Lakhs)                     |                          |                 |
|----------------------------------|--------------------------|-----------------|
| Nature of cases                  | No. of outstanding cases | Amount involved |
| Criminal Complaints              | Nil                      | Nil             |
| Statutory/Regulatory Authorities | Nil                      | Nil             |
| Other Litigation – Taxation      | 1.00                     | 25.75           |
| Other Litigation                 | Nil                      | Nil             |

For further details of legal proceedings involving the Company, please see section titled “***Outstanding Litigations and Material Developments***” beginning on page 205 of this Draft Prospectus.

**6. *Our Company is exposed to to risk of doing business in foreign countries due to the constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate, which could adversely affect our business, financial conditions including margins and results of operations.***

Our Company procures majority of the raw materials by way of import from certain countries namely Benin, Indonesia, Guinea-Bissau and also in new jurisdictions in which we seek to operate. In Fiscal 2021, we procured around 71% of our raw materials from Benin.

Operating in the international markets exposes us to a number of risks, including, but not limited to, compliance with local laws and regulations, which can be onerous and costly as the magnitude and complexity of, and continual amendments to those laws and regulations are difficult to keep abreast with and the liabilities, penalties, costs, obligations and requirements associated with these laws and regulations can be substantial. Our failure to comply with and adapt to changing international regulations and/or trends may result in us failing to maintain and/or expand our international sales operations, which could adversely affect our business, financial condition and results of operations. In case of any contingencies in the future, due to which we are unable to operate effectively in these markets, our results of operations, revenues and profitability may be adversely affected.

**7. *Our Company requires significant amount of working capital for a continuing growth. Increase in business activities may be reflected by an absolute increase in the gap between our trade receivables and trade payables, requiring us to arrange for increased working capital limits. Our inability to meet our working capital requirements may adversely affect our results of operations***

Our business requires a significant amount of working capital. In our business, working capital is often required to finance the purchase of raw material and for processing activities. In the event, we are unable to source the required amount of working capital, 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.



All of these factors, including increase in business activities, may widen the absolute gap between trade receivables and trade payables putting strain on our Company's financial resources and may result in increase in the amount of short-term borrowings/ working capital loans. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

**8. *If we are unable to maintain our product quality standards it may lead to negative publicity which may adversely affect our reputation, business and results of operations.***

Any adverse claims, media speculation and other public statements relating to our product quality would materially and adversely affect our reputation and our corporate image, or otherwise affect our ability to conduct our business in the ordinary course, including, without limitation, obtaining and renewing operational licenses and regulatory approvals and establishing and maintaining our relationships with distributors, and to expand our business, including, without limitation, obtaining the necessary financing for such expansion. Further, concerns regarding the safety of products or the safety and quality of our supply chain could cause customers to avoid buying our products, or to seek alternative sources, even if the basis for the concern is outside of our control. Adverse publicity about these concerns, whether or not ultimately based on fact, and whether or not involving our products, could discourage have a material and adverse effect on our turnover and results of operations. In addition, we cannot guarantee that our operational controls and employee training will be effective in preventing food-borne illnesses, food tampering and other food safety issues that may affect our operations.

We cannot assure you that there will not be incidents of contaminated products or ingredients in the future which may result in product liability claims, product recall and negative publicity. Any such claims and allegations would also distract our management from their day to day management responsibilities and may therefore have a material adverse effect on our business, financial condition and results of operations.

Any publicity relating to health concerns or the perceived or specific outbreaks of food-borne illnesses, food tampering or other food safety issues attributed to our products could result in a significant decrease in sales in all could have a material adverse effect on our results of operations. In addition, similar publicity or occurrences with respect to other similar products belonging to other companies could also decrease our sales and have a similar material adverse effect on us.

**9. *If we are unable to acquire quality raw materials or other necessary supplies and services in a timely manner, our business, results of operations and financial condition may be adversely affected.***

The key raw material required by our Company is raw cashew nuts which is procured by our Company from domestic and international markets. In FY 2021, we procured 71% of our raw material from Benin, Indonesia and Guinea-Bissau and the balance was procured from the domestic market especially from the Konkan region. Import from Benin accounted for 70% of our total imports. Our profitability depends in part of our ability to anticipate and react to changes in the cost of our suppliers and to procure the raw material in a timely manner. Increase in cost of raw materials imported could significantly increase our expenses.

Even though, till date our Company has not experienced any instances of delay in procurement and shipment/delivery of raw materials from international markets, we cannot assure you that there won't be any instances of delay in the future. Such delay in delivery of raw material by our international suppliers would adversely affect our business operations.

**10. *Our financing arrangements contain restrictive covenants whereby we are required to obtain prior consent from our lenders regarding aspects such as major changes in share capital, management etc.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain prior consent from our lenders regarding aspects such as major changes in share capital, management. Although we have sought the requisite consents from our lenders, due to ongoing restrictions and work from home situations we are yet to receive consents from some of our lenders with whom we have entered into financial arrangements. There can be no assurance that such consents will be received by us before the filing of this Draft Prospectus or at all. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs.

This may result in breach of certain covenants contained in the agreements entered into with our lenders. For further details on the covenants with respect to financial arrangements and other banking facilities, please see “**Financial Indebtedness**” on page 175 of the Draft Prospectus.

**11. *We may be unable to attract and retain sufficient qualified and trained personnel at our processing and packaging units which may adversely affect our business.***

Our Company has skilled, semi-skilled and unskilled personnel engaged at our processing and packaging units. One of their responsibilities is to maintain specific standard, quality and safety of our products. There can be no assurance that attrition rates for our personnel will not increase. A significant increase in our personnel attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition.

We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected. Our success depends on our ability to attract, hire, train and retain skilled service personnel. An inability to recruit and retain suitably qualified and skilled personnel could adversely impact our reputation, business prospects and results of operations.

**12. *If we are unable to accurately estimate the demand for our products, our business, financial condition and results of operation may be adversely affected.***

The supply of raw materials for our products is based primarily on forecasts, projections and requirements prepared by our senior management personnel. These forecasts are based on past sales as well as anticipated demand, which is based to a certain extent on the subjective assessment by our senior management personnel.

If we are unable to accurately forecast demand for our products it would lead to excess supply or a shortage in supply of raw materials from our suppliers, which would have a material adverse impact on our business, financial condition and results of operations.

**13. *We have an outstanding indebtedness which includes secured and unsecured loan, which requires significant cash flows to service and are subject to certain conditions and restrictions in terms of our financing arrangements, which restricts our ability to conduct our business and operations in the manner we desire.***

As of October 31, 2021, our secured and unsecured borrowing were ₹1,152.43 Lakhs and we will continue to incur additional indebtedness in the future as deemed appropriate by our Board of directors from time to time. Our level of indebtedness has important consequences to us, such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our ability to borrow additional amounts in the future;
- affecting our capital adequacy requirements;
- increasing our finance costs.

In the event we breach any financial or other restrictive covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts when they fall due.

**14. *We have significant power requirements for continuous functioning of our processing and packaging units. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an adverse effect on our business, results of operations and financial condition.***

The machinery and equipment installed at our processing unit, packaging unit and warehouse consume power and the same is sourced by our Company from MSEB. Our Company has a total sanctioned load of 223 kilo watts and we also have one (1) generator at our Processing Unit to have a continuous power supply. However we do not have any power back up sources at our Packaging Unit. As the processing and packaging activities are significantly dependent on power supply, any interruptions in power supply may disrupt our operations resulting

into business and financial results.

Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses which may adversely impact our business margins. Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost which may negatively affect our business, financial condition and results of operations

***15. We have referred to the data derived from the industry report prepared by Dun & Bradstreet Information Services India Private Limited which has been commissioned and paid for by us for the purposes of confirming our understanding of the industry in connection with the Issue.***

We have availed the services of an independent research agency, Dun & Bradstreet Information India Private Limited which is not related in any manner to us, our Promoters or Directors, to prepare an industry report title 'Industry Report on Indian Cashew Market' for the purpose of inclusion the Draft Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified the data from the industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the Lead Manager or any of our or its respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere, Statements from third parties that involves estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

***16. We are dependent on third party transportation service providers for delivery of raw material to us from our suppliers. We have not entered into any formal contracts with our transport providers and any failure on part of such service providers to meet their obligations could adversely affect our business, financial condition and results of operation.***

We are significantly dependent on third party transportation providers for the delivery of raw material to us from our international suppliers. Uncertainties and risks such as transportation strikes, failure to book vessels or delay in supply of raw materials due to port congestions, vessel/vehicle breakdown could have an adverse effect on our supplies and deliveries to and from our customers and suppliers. Additionally, raw material may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. A failure to procure or transport the raw material or to deliver the same to our distribution intermediaries in a timely, efficient and reliable manner could adversely affect our business, results of operations and financial condition.

Further, we have not entered into any agreements or contracts with our transporters and the costs of transportation are generally based on mutual terms and the prevailing market price. In the absence of such agreements, we cannot assure that the transporters would fulfill their obligations or would not commit a breach of the understanding with us. In the event that the raw material suffers damage or is lost during transit, we may not able to prosecute the transporters due to lack of formal agreements. Further, the transporters are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms or prices, which may cause them to cater to our competitors alongside us or on a priority basis, which could adversely affect our business, results of operations and financial condition.

***17. If we are unable to regularly offer new products or if we fail to timely respond to changes in consumer tastes and preferences our business and results of operations would be adversely affected.***

We offer a wide variety of cashew products including different grades and packaging formats. The markets in which we operate may demand frequent change in the future including new variant introductions. We plan our products based on consumption patterns as well as on anticipated trends and preferences in the forthcoming seasons. Any mismatch between our forecasts, our planning, introduction of new products and the actual demand could impact us adversely, leading to loss of existing customers.

Before we can introduce new products, we must successfully execute a number of steps, including market research and customer feedback. However, there can be no assurance that such efforts will always result in identifying

successful new products and avoiding unsuccessful introductions. Although we rarely substantially modify our product portfolio, an inability to successfully introduce new products could adversely affect our business, financial condition, results of operations and prospects.

Consumer preferences in the markets we operate in are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. Our business is particularly sensitive to changing consumer preferences, including changes in consumer tastes and dining habits. Health, dietary and other considerations may also result in changes to consumer preferences, which may in turn result in reduced demand for our products. The demand for our offering or our costs of doing business may also be adversely affected by public concern about nutrition, food safety and other factors. Our continued success depends on our ability to anticipate, gauge and react in a timely and cost-effective manner to changes in consumer tastes. Any changes in consumer preferences that decrease demand for our offering our business, financial condition, results of operations and prospects would be adversely affected.

***18. Our Company does not have any firm arrangements and has not entered into any written agreements or contracts with the distribution partners who are responsible for carrying out the distribution and sale of our products.***

Our Company procures orders through our customers based on past sales from various distributors. We primarily caters to the domestic market with a presence of more than thirty (30) distributors spread across India. Our Company has not entered into any written contracts or agreements with the distributors and business with them is carried out by our Company on an invoice basis. In the event of a dispute between our Company and the distributors, there are no formal terms, conditions or covenants which govern the arrangement that our Company has with the distributors. We cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from the distributors.

Any disruption or inefficiency in the services provided by the distributors, could interrupt the distribution and sale of our products, our business operations and also could potentially damage our reputation

***19. We have had certain inaccuracy in relation to statutory compliances. We cannot assure you that our Company will not be subjected to any liability on account of such non-compliance and discrepancies.***

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all applicable statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. For instance, our Company has not complied with some of the applicable provisions of Maharashtra Factories Act, 1948, Maharashtra Factories Rules, 1963, Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1981. Upon the non-compliances coming to our knowledge, we have instantly applied for the applicable licenses, consents and approvals required by our Company.

Although no show cause notice has been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company and its directors may be affected.

***20. Our Company has a limited number of customers generating significant portion of revenue from sales. The loss of a key customer in a financial period could significantly reduce our revenue and could have a material adverse effect on our business, future prospects, results of operations and financial condition.***

The contribution of top ten (10) customers of our Company towards the total revenue for seven months period ended October 31, 2021 and Fiscal years 2021, 2020 and 2019 is 37.16%, 36.06% , 17.83% and 19.00% respectively. We neither assure you that we will be able to maintain the historic levels of business from our top ten (10) customers or that we will be able to replace these key customers should we lose any or all of them. Since we are dependent on our key customers for a significant portion of our operations, the loss of any one of our key customers or a significant reduction in demand from such key customers could have a material adverse effect on our business, future prospects, results of operations and financial condition.

***21. We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.***

As of October 31, 2021, our contingent liabilities and commitments (to the extent not provided for) as disclosed in the notes to our Audited Restated Financial Information aggregated to ₹ 25.75 Lakhs. There has been a delay in obtaining the registration under Employees' State Insurance Act, 1948 since the time it was applicable, there may be additional liability which will arise on the basis of the assessment, for the employer contribution to be made under the said Act.

For further details of contingent liability, please see the section titled - "**Financial Information**" on page 144 of this Draft Prospectus. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

**22. *We are dependent on a number of our key managerial personnel and other senior management, and the loss of or our inability to retain such persons could adversely affect our cash flows, business, results of operations and financial condition.***

Our performance depends largely on the efforts and abilities of our key managerial personnel and other senior management, including our present directors and officers. Their input and experience are invaluable for the development of our business and the operations and the strategic directions taken by us. We cannot assure you that we will be able to retain these key managerial personnel and other senior management or find adequate replacements in timely manner, or at all, should they choose to discontinue their association with us. We believe that competition for qualified managerial personnel with relevant expertise in India is intense due to scarcity of qualified and experienced individuals in the industry in which we operate. The retirement or resignation of any of our key managerial personnel may materially and adversely impact our business, results of operations and financial condition.

In addition, we cannot assure you that our relations with our employees shall remain cordial at all times and that employees will not undertake or participate in strikes, work stoppages or industrial actions which won't be particularly in the best interest of the our Company. Any disruptions may affect our operations, thereby adversely affecting our business, financial condition and results of operations.

**23. *Our limited knowledge with respect to new geographies in the international and domestic markets where we propose to enter may limit our expansion strategy and cause our business and growth to suffer.***

We may face risks in expanding our operations in new geographical areas in international and domestic markets in which we do not possess the same level of familiarity with the economy, consumer preference, commercial operations and distribution network and with product offerings that we have limited operating experience of. In addition, our competitors in such geographical areas may already have established operations in such areas and particularly in this industry, and we may find it difficult to attract customers in such areas.

Our expansion plans could be delayed or abandoned, could cost more than anticipated and could divert resources from other areas of our business or divert management's attention from other aspects of our business and place a strain on our management, operational and financial resources, as well as our information systems, any of which could impact our competitive position and reduce our revenue and profitability. For further details of our business, please see to the section titled "**Our Business**" beginning on page 99 of this Draft Prospectus.

**24. *We do not own some of the crucial properties which are currently used by us .***

Our Processing unit situated at Gat.no.12, Village Halkarni, Taluka Chandgad, District Kolhapur, Maharashtra, our Packaging unit situated at Gat.no.89/B, Village Shinoli, Taluka Chandgad, District Kolhapur and our warehouse situated at Village Kudremani, District Belgavi, Karnataka are not owned by us. We are occupying the premises on basis of Leave and License agreement signed by our Company. We cannot assure you that we will be able to continue the above arrangement on commercially acceptable/favourable terms in future. If we are required to vacate the current premises, we would be required to make alternative arrangements for new premises and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

For details regarding such leasehold properties, please see section titled "**Our Business**" on page no. 99 of this Draft Prospectus.

- 25. Any failure in our quality control and procurement process may adversely affect our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.**

Our Company has quality control checks before accepting or booking any consignment of raw material since it has a direct impact on the quality of finished products. Further the raw material may also deteriorate in quality, decay or get damaged during transit. We have implemented quality control processes for raw material that we procure, on the basis of internal and international quality standards. It is imperative for us to meet the quality standards set by our customers and deviation from the same can cause them to reject our products and can also cause damage to our reputation, market standing and brand value.

Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which could have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for low quality products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

- 26. We have been recently converted into public limited company and any non-compliance with the provisions of Companies Act, 2013 may attract penalties against our Company which could impact our financial and operational performance and reputation.**

Our Company was been incorporated as a private limited company pursuant to the provisions of Companies Act, 1956 and converted into a public limited company pursuant to special resolution passed at the Extra Ordinary General Meeting dated November 08, 2021. Prior to conversion, the provisions pertaining to public limited companies of the Companies Act were not applicable to us. However, consequent to the aforesaid conversion, our Company is required to observe compliance with various provisions pertaining to public limited companies of the Companies Act. Further, our Company needs to additionally comply with provisions of SEBI ICDR Regulations and SEBI (LODR) Regulations.

Though our Company will endeavour to take all possible steps to comply with the provisions of the Companies Act and other applicable laws and regulations, in case of our inability to do so or in case of any delay, we may be subject to penal action from the appropriate authorities which may have an adverse effect on our financial and operational performance and reputation.

- 27. Our Company is subject to the risk of currency fluctuations and floating exchange rates.**

Our Company is involved in various import operations with international suppliers and has to make payments to its international suppliers in U.S. Dollars as per the terms and conditions of the contract. Our import operations make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it could adversely affect our business, results of operations, financial conditions and cash flows.

- 28. The procurement of raw material is subject to seasonal factors. Consequently, our inability to accurately forecast demand for our products, may have an adverse effect on our business, results of operations, cash flows and financial condition.**

Cashew being a water intensive crop, majority of the farmers depend on rain for cultivation. Generally, rainfall occurs during *Kharif* season and hence, the timing and seasonality of rainfall impacts the import and procurement of raw material operations of our Company. We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary.

Further, while we forecast the demand for our products and accordingly plan our procurement volumes for import operations, any error in our forecast could result in surplus stock, which may not be sold in a timely manner. The raw material procured has a specific shelf life and if not sold prior to expiry, may lead to losses or if consumed after expiry, may lead to health hazards.

We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations, future cash flows and financial condition.

**29. *If we are not successful in managing our growth, our profitability may decrease and result in adverse impact on our business, results of operations and financial condition.***

A principal component of our strategy is to grow by expanding and enhancing our customer base and the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**30. *If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected.***

Our business, assets and furniture, fixtures could suffer damage from fire, natural calamities, misappropriation/ burglary or other causes, resulting in losses, which may not be fully compensated by insurance. As on date of the Draft Prospectus we have a total insurance coverage of ₹2,329.38 Lakhs. There can be no assurance that the terms of our insurance policies which we will take in future will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, we are required to renew the insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, we may face significant uninsured losses. If we suffer a large uninsured loss or if any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

**31. *Our operations can be adversely affected in case of industrial accidents at our processing and packaging units. Further, any fire or mishap or accidents of such nature at the Company's facilities could lead to accident claims and damage and loss of property, inventory, raw materials, etc.***

Our processing and packaging activities require the use of machines and power, which makes the labour employed at our units prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death. Though our Company has adopted adequate safety measures, we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacturing of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

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

We have entered into certain transactions with related parties, including our Promoters and Group Companies and may continue to do so in future. These transactions entered into with, amongst others, our Promoters and Group Companies typically relate to remuneration and payment of rent for use of property etc. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

There can be no assurance that we would not have achieved more favourable commercial terms with other parties. Furthermore, we may enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition. For more information, please see section titled “*Annexure XXXI*” - *Restated Statement of Related Party Disclosures*” of “*Financial Information*” on page 144 of this Draft Prospectus.

**33. *In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors 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 would always exercise their rights as shareholders to the benefit and best interest of our Company. As a result, our Directors 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 carry out or restrict actions in relation 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 affecting our business and results of operations and prospects.

**34. *Any Penalty or demand raise by statutory authorities in future will affect our financial position of the Company.***

Our Company is mainly engaged in cashew and related products segment of dry-fruit products industry which attracts tax liability such as Goods and Service Tax, Income Tax and other applicable provision. Also, the provision under Food Safety and Standards Authority of India is also applicable to us. However, the Company has been complying the applicable regulations but any demand or penalty raised by the concerned authorities in future for any previous year and current year will affect the financial position of the Company. For detail, please see section titled “*Outstanding Litigations and Material Developments*” beginning on page 205 of this Draft Prospectus.

**35. *If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.***

We benefit from certain general tax regulations and incentives that accord favorable treatment to certain of our operations as well as for our activities. These tax benefits include income tax deductions and other taxes. For details regarding income tax deductions, please see section titled “*Statement of Possible Special Tax Benefits*” on page 69 of this Draft Prospectus.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and affect our business, prospects, results of operations and financial condition

**36. *In the past, there have been instances of filing errors of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC.***

In the past, there have been certain instances errors in filing statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently refiled by payment of an additional fee as specified by RoC.

**37. *Our Group Companies have incurred losses in the past and may incur losses in the future***

One of our Group Company, namely SSBA Innovations Private Limited is a fintech venture. There is a loss in the books of accounts for last three financial years. This venture has already raised seed funding of USD one million, has incurred loss in the past. Additionally Emphyrean Speciality Sugar and Biomass Limited also suffered a loss in two out of the last three financial years. There can be no assurance that our Group Companies will not incur losses in the future, which may have an adverse effect on our reputation and business.

**38. *Our inability to manage inventory in an effective manner could affect our business.***

Our business model requires us to maintain a certain level of inventory of raw material, to meet the present and future orders. If we underestimate the orders that we may receive we may experience inventory shortages and a loss of opportunity. Similarly, an over estimation of orders may result in over stocking leading to increased holding costs. Additionally, any over run in holding of such goods may lead to their decay. Therefore, any mismanagement on our part to determine the optimum inventory levels may impact our operations and cause us to incur losses.

**39. *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 October 31, 2021 our Company's total secured and unsecured borrowings amount to ₹1,152.43 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 see the chapter titled - "**Financial Indebtedness**" on page 175 of this Draft Prospectus.

**40. *Our failure to adapt to technological developments or industry trends could affect the performance and features of our products, and reduce our attractiveness to our customers.***

As our operations grow in scope and size, whether through offering of new products or expansion into new markets, we must continuously improve, upgrade, adapt and expand our systems and infrastructure to offer our customers enhanced and varied products ahead of rapidly evolving customer demands, while maintaining the reliability and integrity of our systems and infrastructure in a cost-efficient and competitive manner. The systems, infrastructure and technologies we currently employ may become obsolete or be unable to support our increased size and scale. Even if we are able to maintain, upgrade or replace our existing systems or innovate or customize and develop new technologies and systems, we may not be as quick or efficient as our competitors in upgrading or replacing our systems. We may be unable to devote adequate financial resources or obtain sufficient financing on commercially acceptable terms in time, or at all, which may have a material adverse effect on our business, prospects, results of operation and financial condition. For further details regarding our business, please see section titled "**Our Business**" beginning on page 99 of this Draft Prospectus.

**41. *Our funds requirements are based on internal management estimates and have not been appraised by any bank or financial institution. Any increase in the actual deployment of funds may cause an additional burden on our finance plans. We have not entered into definitive agreements to utilize our Issue proceeds.***

The fund requirement mentioned as a part of the Objects of the Issue is based on internal management estimates, wherever possible, and has not been appraised by any bank or financial institution or any external agency. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, etc. With increase in costs, our actual deployment of funds may exceed our estimates and may cause us an additional burden on our finance plans. As on the date of the Draft Prospectus, we have not entered into any definitive agreements for implementing the Objects of the Issue.

**42. *Our Company's management will have flexibility in utilizing the Net Proceeds from the Issue. The deployment of the Net Proceeds from the Issue is not subject to any monitoring by any independent agency.***

Our Company intends to primarily use the Net Proceeds towards working capital requirement and for general corporate purposes as described in section titled "**Objects of the Issue**" on page 59 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. Our Company may have to revise its management estimates from time to time and consequently its requirements may change.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed.

Accordingly, prospective investors in the 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, our business and financial results may suffer.

- 43. *We have not identified any alternate source of raising the funds mentioned as our “Objects of the Issue”. Any shortfall in raising/meeting the same could adversely affect our growth plans, operations and financial performance.***

Our Company has not identified any alternate source of funding for our working capital requirement and for general corporate purposes and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may require our Company to borrow funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the Company.

For further details of our Object, please see section titled “*Object for the Issue*” beginning on page 59 of this Draft Prospectus.

- 44. *Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

- 45. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business being working capital intensive, we may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. There can be no assurance that our Company will declare dividends in the future. For further details, please see section titled “*Dividend Policy*” on pages 143 of this Draft Prospectus.

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

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

- 47. *Any issuance or sale of the Equity Shares by any existing shareholder could significantly affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by us or the disposal of Equity Shares by any of the major shareholders or the perception that such issuance or sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares.

#### **ISSUE SPECIFIC RIKS**

- 48. *The Equity Shares issued pursuant to the Issue may not be listed on and NSE Emerge in a timely manner, or at all, and any trading closures at NSE Emerge may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted and there

could therefore be a failure or delay in listing the Equity Shares on NSE Emerge. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares. NSE Emerge has in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. A closure of, or trading stoppage on NSE Emerge could adversely affect the trading price of the Equity Shares.

**49. *QIB and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Company is required to complete Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months may be subject to capital gains tax in India if Securities Transaction Tax (STT) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the 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 for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares.

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

The price of our Equity Shares on the Stock Exchange may fluctuate after the Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors; adverse media reports about; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal regulations. There has been no public market for our Equity Shares prior to the Issue and the price of the Equity Shares may fluctuate after the Issue. If the stock price of the Equity Shares fluctuates after the Issue, investors could lose a significant part of their investment. As of the date of this Draft Prospectus, there is no market for the Equity Shares.

## **EXTERNAL RISK FACTORS**

**52. *The occurrence of natural or man-made disasters may adversely affect our business, results of operations and financial condition.***

Given the nature of our operations, the occurrence of natural disasters, including hurricanes, floods, tsunamis, earthquakes, tornadoes, fires, explosions, pandemic disease and manmade disasters, including any military actions or political instability, may adversely affect our financial condition or results of operations. We are particularly susceptible to accidents, system failures, adverse geological, ecological or weather conditions, natural disasters, demographic and population changes and other unforeseen events and circumstances across India and countries

from where we import our raw materials from. While we are covered by our insurance policies for such contingencies, any disruptions, damage or destruction of our facilities may temporarily affect our ability to carry out our business and which may adversely affect our, results of operations and financial condition.

**53. *Our continued operations are critical to our business and any shutdown of our processing and packaging units may adversely affect our business, results of operations and financial condition.***

Our processing and packaging units are located in Kolhapur, Maharashtra. 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 processing and packaging 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, 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 processing and packaging units for a prolonged period, it would adversely affect our earnings, our results of operations and financial condition as a whole. Spiraling cost of living around our units may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness. For instance, due to the ongoing pandemic and the lockdown imposed by the Central Government and various state governments, we may be required to shut down all our manufacturing units

**54. *Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving may adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our business and the price of our Equity Shares. Further, we cannot predict the effects on our business of heightened security measures, threatened terrorist attacks, efforts to combat terrorism, military action against a foreign state or other similar events. It is possible that one or more of these events could be directed at Indian or foreign ports, borders, railroads or highways. Any of these events could also negatively affect the economy and consumer confidence, which could cause a downturn in the transportation industry. In addition, any deterioration in the relations between India and its neighbouring countries may result in investor concern about stability in the region, which may materially and adversely affect the price of our Equity Shares.

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

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

**56. *The requirements of being a listed company may strain our resources and we may incur additional costs.***

We are not a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing compliances and reporting requirements to the Stock Exchanges, which require us to file audited annual and unaudited quarterly reports with respect to our business and financial

condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

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

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

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

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

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

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

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

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

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

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, are 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.

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

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely

affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

## SECTION III – INTRODUCTION

### THE ISSUE

*The present Issue of 52,47,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors held on December 24, 2021 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013, at the Extra-Ordinary General Meeting of the members held on January 18, 2022.*

The following table summarises details of the Issue:

|  |  |
|--|--|
| <b>Issue <sup>(1)</sup></b>                          | Up to 52,47,000 Equity Shares of Face Value ₹10/- each of our Company for cash at a price of ₹37/- per Equity Share aggregating to ₹1,941.39 Lakhs         |
| <b>Out of which</b>                                  |  |
| Market Maker Reservation Portion                     | 2,64,000 Equity Shares of Face Value ₹10/- each fully paid-up of our Company for cash at a price of ₹37/- per Equity aggregating to ₹97.68 Lakhs           |
| Net Issue to the Public <sup>(2)</sup>               | Up to 49,83,000 Equity Shares of Face Value ₹10/- each of our Company for cash at a price of ₹37/- per Equity Share aggregating to ₹1,843.71 Lakhs.        |
| <b>Out of which</b>                                  |  |
| Allocation to Retail investors for upto ₹2.00 Lakhs  | 24,91,500 Equity Shares of Face Value ₹10/- each fully paid-up of our Company for cash at a price of ₹37/- per Equity Share aggregating to ₹921.855 Lakhs  |
| Allocation for other investors for above ₹2.00 Lakhs | 24,91,500 Equity Shares of Face Value ₹10/- each fully paid-up of our Company for cash at a price of ₹37/- per Equity Share aggregating to ₹ 921.855 Lakhs |
| <b>Pre and Post- Issue Equity Shares</b>             |  |
| Equity shares outstanding prior to the Issue         | 1,45,48,141 Equity Shares having Face Value of ₹10/- each  |
| Equity Shares outstanding after the Issue*           | 1,97,95,141 Equity Shares having Face Value of ₹10/- each  |
| <b>Objects of the Issue</b>                          | Please see section titled “ <b>Objects of the Issue</b> ” beginning on page no. 59 of this Draft Prospectus  |
| <b>Issue Opens on</b>                                | ●  |
| <b>Issue Closes on</b>                               | ●  |

\*Assuming Full Allotment

*<sup>(1)</sup> The present Issue is being made by our Company in terms of Regulation 229 (1) of the SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post- issue paid-up equity share capital of our Company are being issued to the public for subscription.*

*<sup>(2)</sup> This Issue is being made in terms of Section IX of the SEBI ICDR Regulations 2018, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253, sub regulation (2) of SEBI ICDR Regulations 2018, the allocation in the net Issue to public category shall be made as follows:*

- (a) Minimum 50% to the 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 number of specified securities applied for;*

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

**Explanation:** *For the purpose of Regulation 253, sub-Regulation (2), if the retail individual investor category is entitled to more than fifty percent of the Issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

*For further details regarding the Issue Structure and Procedure, please see section titled “**Issue Structure**” and “**Issue Procedure**” beginning on pages 228 and 230 respectively of this Draft Prospectus. For further details regarding the Terms of the Issue, kindly refer the chapter titled “**Terms of the Issue**” beginning on page 221 of this Draft Prospectus.*



## SUMMARY OF FINANCIAL INFORMATION

### Statement of Assets and Liabilities

| Assets  | As at<br>October 31,<br>2021 | As at<br>March<br>31, 2021 | As at<br>March 31,<br>2020 | As at<br>March 31,<br>2019 |
|---|------------------------------|----------------------------|----------------------------|----------------------------|
| <b>Equity and Liabilities</b>   |                              |                            |                            |                            |
| <b>1. Equity</b>  |                              |                            |                            |                            |
| Share capital   | 1,454.81                     | 1,454.81                   | 1,454.81                   | 1,454.81                   |
| Reserve & Surplus   | 655.82                       | 489.13                     | 483.44                     | 267.33                     |
| <b>Total Shareholder's Fund</b>   | <b>2,110.63</b>              | <b>1,943.94</b>            | <b>1,938.25</b>            | <b>1,722.14</b>            |
| <b>2. Non-current liabilities</b>   |                              |                            |                            |                            |
| a) Long Term Borrowings   | 835.11                       | 939.33                     | 1,036.91                   | 870.82                     |
| b) Deferred Tax Liabilities (Net)   | 20.41                        | 30.87                      | 27.01                      | 27.05                      |
| c) Other Long Term Liabilities  | -                            | -                          | -                          | -                          |
| d) Long Term Provisions   | 7.28                         | 6.29                       | 5.46                       | 3.11                       |
| <b>Total non-current liabilities</b>  | <b>862.80</b>                | <b>976.49</b>              | <b>1,069.38</b>            | <b>900.98</b>              |
| <b>3. Current liabilities</b>   |                              |                            |                            |                            |
| a) Short Term Borrowings  | 317.32                       | 395.08                     | 24.69                      | -                          |
| b) Trade payables   |                              |                            |                            |                            |
| (i) total outstanding dues of micro enterprises and small enterprises                       |                              |                            |                            |                            |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 217.16                       | 218.52                     | 143.60                     | 600.70                     |
| c) Other Current liabilities  | 5.44                         | 11.85                      | -                          | -                          |
| d) Short Term Provisions  | 93.87                        | 51.58                      | 56.89                      | 67.40                      |
| <b>Total current liabilities</b>  | <b>633.79</b>                | <b>677.03</b>              | <b>225.18</b>              | <b>668.10</b>              |
| <b>Total equity and liabilities</b>   | <b>3,607.22</b>              | <b>3,597.46</b>            | <b>3,232.81</b>            | <b>3,291.22</b>            |
| <b>Assets</b>   |                              |                            |                            |                            |
| <b>1. Non current assets</b>  |                              |                            |                            |                            |
| (a) Property and equipment  | 1,388.33                     | 1,412.10                   | 1,544.73                   | 1,648.32                   |
| (b) Other non-current assets  | -                            | -                          | -                          | -                          |
| (c) Long term loan & Advances   | 27.69                        | 29.17                      | 46.60                      | 32.32                      |
| <b>Total non-current assets</b>   | <b>1,416.02</b>              | <b>1,441.27</b>            | <b>1,591.33</b>            | <b>1,680.64</b>            |
| <b>2. Current assets</b>  |                              |                            |                            |                            |
| a) Current Investment   | 62.63                        | 62.63                      | 1.67                       | 53.63                      |
| b) Inventories  | 1,517.98                     | 857.98                     | 822.98                     | 677.14                     |
| c) Trade Receivables  | 260.13                       | 62.81                      | 249.70                     | 763.50                     |
| d) Cash and Bank Balances   | 168.35                       | 127.73                     | 36.63                      | 41.50                      |
| e) Short Term Loans & Advances  | 54.06                        | 956.89                     | 378.83                     | 17.54                      |
| f) Other current assets   | 128.05                       | 88.15                      | 151.67                     | 57.27                      |
| <b>Total current assets</b>   | <b>2,191.20</b>              | <b>2,156.19</b>            | <b>1,641.48</b>            | <b>1,610.58</b>            |

### Statement of Profit and Loss

| Particulars  | For the seven months period ended October 31, 2021 | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Income</b>  |  |                                   |                                   |                                   |
| Revenue from operations  | 2,684.59   | 2,813.14                          | 4,394.95                          | 4,997.66                          |
| Other income   | 38.12  | 44.94                             | 43.74                             | 49.61                             |
| <b>Total income</b>  | <b>2,722.71</b>                                    | <b>2,858.08</b>                   | <b>4,438.69</b>                   | <b>5,047.27</b>                   |
| <b>Expenses</b>  |  |                                   |                                   |                                   |
| Cost of Material Purchase  | 2,483.58   | 1,967.25                          | 3,002.16                          | 4,652.20                          |
| Changes in inventories of finished goods work-in-progress  | -660.00  | -35.00                            | -145.84                           | -623.60                           |
| Employee benefits  | 87.69  | 142.88                            | 237.14                            | 225.30                            |
| Finance costs  | 103.79   | 94.54                             | 103.59                            | 86.90                             |
| Depreciation and amortization  | 86.24  | 168.13                            | 180.02                            | 184.85                            |
| Others   | 409.72   | 417.99                            | 932.60                            | 416.37                            |
| <b>Total expenses</b>  | <b>2,511.02</b>                                    | <b>2,755.80</b>                   | <b>4,309.67</b>                   | <b>4,942.02</b>                   |
| <b>Profit/(Loss) before exceptional items, share of net profit/(losses) of investments accounted for using the equity method and tax</b> | <b>211.69</b>                                      | <b>102.29</b>                     | <b>129.02</b>                     | <b>105.25</b>                     |
| Share of loss of Investments accounted using equity method (net)   |  | 0.00                              | 0.00                              | 0.00                              |
| <b>(Loss)/profit before exceptional items and tax</b>  | <b>211.69</b>                                      | <b>102.29</b>                     | <b>129.02</b>                     | <b>105.25</b>                     |
| Exceptional items  |  | 0.00                              | 0.00                              | 0.00                              |
| <b>(Loss)/profit before tax</b>  | <b>211.69</b>                                      | <b>102.29</b>                     | <b>129.02</b>                     | <b>105.25</b>                     |
| Tax expense:   |  |                                   |                                   |                                   |
| Current tax  | 55.46  | 31.69                             | 33.46                             | 26.60                             |
| Deferred tax   | -10.46   | 3.86                              | -0.04                             | 13.70                             |
| <b>Total tax expense</b>   | <b>45.00</b>                                       | <b>35.55</b>                      | <b>33.42</b>                      | <b>40.30</b>                      |
| <b>Net (loss)/profit</b>   | <b>166.69</b>                                      | <b>66.74</b>                      | <b>95.60</b>                      | <b>64.95</b>                      |
| <b>Earnings per equity share (nominal value of ₹10/- each):</b>  |  |                                   |                                   |                                   |
| Basic  | 1.15   | 0.46                              | 0.66                              | 0.47                              |
| Diluted  | 1.15   | 0.46                              | 0.66                              | 0.47                              |

### Cash Flow Statement

| Particulars  | For the Seven months period ended 31, October 2021 | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Cash flow from operating activities</b>   |  |                                   |                                   |                                   |
| (Loss)/profit After tax for the period/year  | 166.69   | 66.74                             | 95.60                             | 64.95                             |
| <i>Adjustments for:</i>  |  |                                   | -                                 | -                                 |
| Employee stock option scheme   |  |                                   | -                                 | -                                 |
| Depreciation and amortisation  | 86.24  | 168.13                            | 180.02                            | 179.52                            |
| Profit on sale/write off of property and equipment   |  | -                                 | -27.85                            | -1.05                             |
| Preliminary Expenses w/off   |  | -                                 | -                                 | 5.33                              |
| <i>Provision for Gratuity</i>  | 0.99   | 0.83                              | 2.35                              | 3.11                              |
| Allowance for doubtful debts   |  |                                   | -                                 | -                                 |
| Liabilities written back   |  |                                   | -                                 | -                                 |
| (Gain)/loss on exchange fluctuation (net)  | -21.57   | -15.71                            | -8.21                             | -                                 |
| Gain on sale of current investments (net)  |  |                                   | -                                 | -                                 |
| Fair value gain on financial instruments carried at fair value through profit or loss (net)  |  |                                   | -                                 | -                                 |
| Rent income  | -2.27  | -6.18                             | -                                 | -                                 |
| Finance cost   | 103.79   | 92.33                             | 103.59                            | 18.72                             |
| Dividend income on current investments   |  |                                   | -                                 | -                                 |
| Exceptional item   |  |                                   | -                                 | -                                 |
| Current Tax  | 55.46  | 31.69                             | 33.46                             | 26.60                             |
| Deferred Tax   | -10.46   | 3.86                              | -0.04                             | 13.70                             |
| Share of loss of investments accounted using equity method                                   |  |                                   | 6.66                              | -                                 |
| <b>Operating profit before working capital changes</b>                                       |  |                                   |                                   |                                   |
| <i>Working capital adjustments:</i>  |  |                                   |                                   |                                   |
| Increase/(decrease) in trade payables  | -85.53   | 96.74                             | -457.10                           | 3,527.08                          |
| Increase in long-term provisions   |  |                                   |                                   |                                   |
| (Increase) in trade receivables  | 675.48   | -362.58                           | 513.77                            | -3,229.45                         |
| Decrease/(increase) in Inventories   | -660.00  | -35.00                            | -145.85                           | -623.60                           |
| Decrease/(Increase) in other bank OD   |  |                                   | -5.61                             |                                   |
| <b>Cash generated from operations</b>  |  |                                   |                                   |                                   |
| Direct taxes paid (net of refunds)   | -  | 24.57                             | 6.95                              |                                   |
| <b>Net cash generated from/(used in) operating activities (A)</b>                            | <b>308.52</b>                                      | <b>16.28</b>                      | <b>283.85</b>                     | <b>15.09</b>                      |
| <b>Cash flow from investing activities</b>   |  |                                   |                                   |                                   |
| Purchase of property and equipment, intangible assets including intangible under development | -62.47   | -35.49                            | -182.23                           | -18.15                            |
| Proceeds from sale of property and equipment   |  |                                   | 135.89                            | -                                 |
| Acquisition of associates  |  |                                   | -                                 | -                                 |
| Net cash acquired on acquisition   |  |                                   |                                   |                                   |
| Acquisition of shares from non-controlling interest  |  |                                   |                                   | 125.00                            |
| sale of investment shares  |  |                                   | 45.41                             |                                   |

|  |                |               |                |                |
|--|----------------|---------------|----------------|----------------|
| Rent income  | 2.27           | 6.18          |                |                |
| Purchase of non-current investments  |                |               |                |                |
| Profit in investment   |                |               |                | 1.05           |
| Purchase of current investments  |                |               |                |                |
| Investment in Patnership firm  | -              | -60.96        | -0.10          |                |
| Proceeds from disposal of non-current investments                                  |                |               |                |                |
| Proceeds from redemption/maturity of current investments                           |                |               |                |                |
| Investment in bank deposits  |                |               |                |                |
| Redemption/maturity of bank deposits   |                |               |                |                |
| Interest received on investments   |                |               |                |                |
| Dividend income received   |                |               |                |                |
| <b>Net cash flow generated from/(used in) investing activities (B)</b>             | <b>-60.20</b>  | <b>-90.27</b> | <b>-1.03</b>   | <b>107.90</b>  |
| <b>Cash flow from financing activities</b>   |                |               |                |                |
| Short term loan availed  | -              | 95.76         | -256.71        | -199.53        |
| Long term borrowing  | -104.21        | 248.35        | 642.44         | 613.37         |
| Long Principal repaid  | -              | -71.33        | -560.18        | -704.06        |
| Interest paid  | -103.79        | -92.33        | -103.59        | -18.72         |
| Dividend paid on equity shares   |                | -15.36        | -9.64          | -              |
| <b>Net cash generated from financing activities (C)</b>                            | <b>-208.00</b> | <b>165.09</b> | <b>-287.68</b> | <b>-308.94</b> |
| <b>Net increase in cash and cash equivalents (A)+(B)+(C)</b>                       | <b>40.62</b>   | <b>91.10</b>  | <b>-4.86</b>   | <b>216.13</b>  |
| Cash and cash equivalents at the beginning of the period                           | 127.73         | 36.63         | 41.5           | 257.62         |
| Effect of exchange differences on cash & cash equivalents held in foreign currency |                | -             | -              | -              |
| <b>Cash and cash equivalents at the end of the period</b>                          | <b>168.35</b>  | <b>127.73</b> | <b>36.63</b>   | <b>41.50</b>   |
| <b>Cash and cash equivalents as per above comprises of the following:</b>          |                |               |                |                |
| Cash in hand   | 2.48           | 36.18         | 11.44          | 1.93           |
| Balances with bank   |                |               |                | -              |
| Deposit with original maturity of less than 3 months                               | 165.87         | 91.55         | 25.19          | 39.57          |
| <b>Total cash and cash equivalents</b>   | <b>168.35</b>  | <b>127.73</b> | <b>36.63</b>   | <b>41.50</b>   |

## GENERAL INFORMATION

Our Company was incorporated as a private limited company pursuant to certificate of incorporation dated March 21, 2014 bearing Corporate Identity Number U74120MH2014PTC254748 issued by Registrar of Companies, Mumbai, Maharashtra. Subsequently, pursuant to special resolution passed at the EGM dated November 08, 2021 our Company was converted into a public limited and consequently the name of our Company was changed to '*Empyrean Cashews Limited*' and a fresh certificate of incorporation dated November 22, 2021 bearing Corporate Identity Number U74120MH2014PLC254748 issued by Registrar of Companies, Mumbai, Maharashtra. For details regarding change in name of the Company and change in registered/corporate office, please see section titled '*History and Certain Corporate Matters*' beginning on page no 112 of this Draft Prospectus.

For further details, please see to chapter titled '*History and Certain Corporate Matters*' beginning on page 112 of this Draft Prospectus.

## REGISTERED OFFICE OF OUR COMPANY

### Empyrean Cashews Limited

1309, Lodha Supremus,  
Saki Vihar Road, Opposite MTNL office,  
Powai, Mumbai – 400072

**E-mail:** [cs@krishival.com](mailto:cs@krishival.com)

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

## ADDRESS OF REGISTRAR OF COMPANIES

### Registrar of Companies, Mumbai

100, Everest, Marine Drive,  
Mumbai – 400 002

**Tel:** +91 – 22 - 2281 2627 / 2202 0295 / 2284 6954

## BOARD OF DIRECTORS OF OUR COMPANY

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

| Name                     | DIN      | Designation                                    | Address  |
|--------------------------|----------|--|--|
| Aparna Morale Bangar     | 05332039 | Managing Director and Chairperson              | Raj Grandeur A2102, behind Hiranandani Hospital, Hiranandani Garden, Powai, Mumbai, Maharashtra, 400076      |
| Nana Prakash Mhaske      | 01911731 | Executive Director and Chief Executive Officer | Flat No. 284, 203 A2, 2 <sup>nd</sup> Floor, Elysian Baner Road, Baner Pune, N.I.A Pune, Maharashtra, 411045 |
| Anant Pandurang Kulkarni | 01887356 | Executive Director and Chief Financial Officer | 371/77, Kasba Peth, Kachari road, Tal Barshi, Solapur, Maharashtra – 413401                                  |
| Shailesh Kumar Jain      | 08531336 | Independent Non-executive Director             | 22, Chirag complex, behind Ghoomar Garden, Sector-4, Girwa, Udaipur, Rajasthan – 313001                      |
| Sunil Kumar Agarwal      | 08676321 | Independent Non-executive Director             | 1703 B-Wing, Rustomjee Seasons, Gandhi Nagar, MIG Colony, Bandra East, Mumbai, Maharashtra – 400051          |

|                   |            |         |                                   |      |  |
|-------------------|------------|---------|-----------------------------------|------|--|
| Neeraj<br>Taandon | Kulbhushan | 8747380 | Independent<br>executive Director | Non- | N-2 Cico , Opp Adca<br>Stadium Pavillion, Shree<br>Krishna, Plot No 59-60<br>Gut No 70, Aurangabad<br>Maharashtra 431003 |
|-------------------|------------|---------|-----------------------------------|------|--|

For detailed our Directors, please see section titled “*Our Management*” beginning on page 117 of this Draft Prospectus.

## COMPANY SECRETARY AND COMPLIANCE OFFICER

**Rahul Suresh Gawande**

**Empyrean Cashews Limited**

**Address:** 1309, Lodha Supremus Powai,  
Saki Vihar Road, Opposite MTNL office,  
Powai, Mumbai – 400072

**Tel:** +91 8779558264

**Email:** [cs@krishival.com](mailto:cs@krishival.com)

## INVESTOR GRIEVANCES:

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

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

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Lead Manager shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount.

## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THE ISSUE OF OUR COMPANY

| LEAD MANAGER TO THE ISSUE  | REGISTRAR TO THE ISSUE  |
|--|---|
| <b>M/s Systematix Corporate Services Limited</b><br>The Capital, A-Wing, No. 603-606 6th Floor, Plot<br>No. C-70, G-Block Bandra-Kurla Complex,<br>Bandra (East) Mumbai -400 051 Maharashtra,<br>India<br><b>Tel:</b> +91 22 6704 8000 | <b>M/s Purva Sharegistry (India) Private Limited.</b><br>Purva Sharegistry (India) Pvt. Ltd. Unit no. 9<br>Shiv Shakti Ind. Estt. J .R. Boricha Marg Lower Parel (E)<br>Mumbai 400 011, Maharashtra, India<br><b>Tel:</b> + 91 22 23012518/8261<br><b>Fax:</b> + 91 22 23012517 |

|  |   |
|--|---|
| <b>Fax:</b> +91-22-6704 8022<br><b>Website:</b> <a href="http://www.systematixgroup.in">www.systematixgroup.in</a><br><b>Email:</b> <a href="mailto:mb.ipo@systematixgroup.in">mb.ipo@systematixgroup.in</a><br><b>Investor Grievance Id:</b><br><a href="mailto:investor@systematixgroup.in">investor@systematixgroup.in</a><br><b>Contact Person:</b> Manish Tejawani/Ms. Jinal Sanghvi<br><b>SEBI Registration No:</b> INM000004224 | <b>Website:</b> <a href="http://www.purvashare.com/">www.purvashare.com/</a><br><b>Email:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a> ;<br><b>Investor Grievance Id:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a><br><b>Contact Person:</b> Rajesh Shah/Purva Shah<br>Deepali Dhuri<br><b>SEBI Registration No:</b> INR000001112 |
|--|---|

| LEGAL ADVISOR TO THE ISSUE   | STATUTORY AUDITORS OF THE COMPANY   |
|--|---|
| <b>M/s Crawford Bayley &amp; Co.</b><br>4th Floor, State Bank Buildings<br>N.G.N. Vaidya Marg, Fort<br>Mumbai 400 023<br>Maharashtra, India<br><b>Telephone:</b> +91 22 2266 3353<br><b>Facsimile:</b> +91 22 2266 3978<br><b>Email:</b> <a href="mailto:sanjay.asher@crawfordbayley.com">sanjay.asher@crawfordbayley.com</a><br><b>Contact Person:</b> Sanjay Asher | <b>M/s Tamanna Parmar &amp; Associates, Chartered Accountants</b><br><b>Address:</b> 223, North Ayad, Udaipur (Raj) – 313001.<br><b>Telephone:</b> +91 9461388290<br><b>Email:</b> <a href="mailto:tamanna_parmar@yahoo.co.in">tamanna_parmar@yahoo.co.in</a><br><b>Membership No:</b> 409291<br><b>Firm Registration No:</b> 014444C:<br><b>Peer Review No :</b> 010441<br><b>Contact Person:</b> Tamanna Parmar |

#### BANKERS TO THE ISSUE / REFUNDBANK/ SPONSOR BANK

**M/s Axis Bank Limited**  
**Address:** 10593 Ratna Plaza  
 beside sapna book house near Kolhapur circle  
 Belgaum Karnataka 590010  
**Telephone:** +91-9980841650 / +91-9886777275  
**Email:** [belgaumiinehrunagar.branchhead@axisbank.com](mailto:belgaumiinehrunagar.branchhead@axisbank.com)  
**Contact Person:** Sandeep Gireppagoudar/ Kedar Kumbhojkar

## DESIGNATED INTERMEDIARIES

### Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the abovementioned link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and it's updated from time to time.

### Registered Brokers

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicant can submit Application Form for the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Brokers Centres.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on Registered Brokers, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

### Registrar to The Issue and Share Transfer Agents

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

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

### **Collecting Depository Participants**

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

### **CREDIT RATING**

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

### **TRUSTEES**

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

### **DEBENTURE TRUSTEES**

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

### **IPO GRADING**

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

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

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

### **EXPERT OPINION**

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

Our Company has received written consent from the Statutory Auditor namely, M/s. Tamanna Parmar & Associates, Chartered Accountants to include its 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 of the Peer Reviewed Auditor on the Audited Restated Financial Statements, dated February 03, 2022 and such consent has not been withdrawn as on the date of this Draft Prospectus.

Our Company has received written consent from our Statutory Auditor namely, M/s. Tamanna Parmar & Associates, Chartered Accountants to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and the statement of tax benefits dated February 03, 2022 included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

### **APPRAISAL AND MONITORING AGENCY**

In terms of Regulation 41 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.

### **FILING OF THE ISSUE DOCUMENT**

The Draft Prospectus shall not be filed with SEBI, nor shall SEBI issue any observation on the Issue Document in terms of Regulation 246(2) of SEBI ICDR, 2018. However, pursuant to Regulation 246(5), the soft copy of Draft Prospectus shall be submitted to SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. 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, Section 28 and Section 32 of the Companies Act, 2013 will be delivered to the Registrar of Company, Mumbai.

## WITHDRAWAL OF THE ISSUE

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

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared, and the Stock Exchange will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement is dated February 03, 2022. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriter has indicated its intention to underwrite the following number of specified securities being issued through this Issue:

| Details of the Underwriter            | No. of Shares Underwritten | Amount Underwritten | % of the Total Issue Size Underwritten |
|---------------------------------------|----------------------------|---------------------|--|
| Systematix Corporate Services Limited | 52,47,000                  | 1,941.39            | 100%                                   |

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.

## DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE.

The Company and the Lead Manager undertakes to appoint the Market Maker/s and the particulars of such Market Maker/s and the summary of the terms of its appointment shall be included in the Draft Prospectus prior to filing with the RoC.

Our Company has entered into Market Making Agreement dated February 03, 2022, with the Market Maker, duly registered with NSE Limited to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

|                       |   |
|-----------------------|---|
| <b>Name</b>           | Systematix Shares and Stocks (India) Limited  |
| <b>Office Address</b> | A/603-606, The Capital, 6th Floor,<br>Plot C-70, G Block, Bandra-Kurla Complex,<br>Bandra (East), Mumbai – 400051 |
| <b>Tel no.</b>        | +91 22 6704 8000  |

|                                 |  |
|---------------------------------|--|
| <b>Email</b>                    | <a href="mailto:compliance@systematixgroup.in">compliance@systematixgroup.in</a> |
| <b>Website</b>                  | <a href="http://www.systematixgroup.in">www.systematixgroup.in</a>               |
| <b>Contact Person</b>           | Rajkumar Gupta, Assistant Vice President - Operations                            |
| <b>SEBI Registration Number</b> | INZ000171134   |

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

- 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 Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- 2) The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of NSE Emerge and SEBI from time to time.
- 3) The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE EMERGE from time to time.
- 4) The Market Maker is required to comply with SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, SEBI ICDR Regulations and relevant Exchange Circulars including.
- 5) 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 they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 6) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- 7) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- 8) There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 9) The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on NSE EMERGE and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
- 10) After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- 11) 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.
- 12) The Market Maker shall have the right to terminate the said arrangement by giving a one (1) month advance 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 five or as specified by the relevant laws and regulations applicable at that particular point of time.

**13) Risk containment measures and monitoring for Market Makers:**

NSE Emerge will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

**14) Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:

1. 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.
2. 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 trading 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.

**15) Punitive Action in case of default by Market Makers:** NSE Emerge 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 Stock 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.

**16) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:**

| Issue Size             | Buy quote exemption threshold<br>(including mandatory initial<br>inventory of 5% of the Issue<br>Size) | Re-entry threshold for buy<br>quote (including mandatory<br>initial inventory of 5% of the<br>Issue Size) |
|------------------------|--|---|
| Upto ₹20 Crore         | 25%  | 24%   |
| ₹20 Crore to ₹50 Crore | 20%  | 19%   |
| ₹50 Crore to ₹80 Crore | 15%  | 14%   |
| Above ₹80 Crore        | 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.

## CAPITAL STRUCTURE

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

| Amount (in ₹ Lakhs, except share data) |   |                                  |                                |
|--|---|----------------------------------|--------------------------------|
| Sr. No.                                | Particulars   | Aggregate value at nominal value | Aggregate value at Issue Price |
| <b>A.</b>                              | <b>Authorised Share Capital</b>   |                                  |                                |
|  | 2,00,00,000 Equity Shares of face value of ₹10/- each   | 2,000.00                         | 7,400.00                       |
| <b>B.</b>                              | <b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>  |                                  |                                |
|  | 1,45,48,141 Equity Shares of face value of ₹10/- each   | 1,454.81                         | 5,382.81                       |
| <b>C.</b>                              | <b>Present Issue in terms of this Draft Prospectus<sup>(1)</sup></b>  |                                  |                                |
|  | Up to 52,47,000 Equity Shares of ₹10/- each for cash at price of ₹37/- per Equity Share   | 524.70                           | 1,941.39                       |
|  | <b>Consisting of:</b>   |                                  |                                |
|  | Reservation for Market Maker – 2,64,000 Shares of ₹10/- each for cash at price of ₹ 37/- per Equity Share   | 26.40                            | 97.68                          |
|  | Net issue to the Public – 49,83,000 Equity Shares of ₹ 10/- each for cash at a price of ₹37/- per Equity Share  | 498.30                           | 1,843.71                       |
|  | <b>Of which:</b>  |                                  |                                |
|  | 24,91,500 Equity Shares of ₹10/- each for cash at price of ₹ 10/- per Equity Share will be available for allotment to Retail Individual Investors of <b>up to ₹2.00 Lakhs</b> | 249.15                           | 921.855                        |
|  | 24,91,500 Equity Shares of ₹10/- each for cash at a price of ₹37/- per Equity Share will be available for allotment to Other Investors of <b>above ₹2.00 Lakhs</b>            | 249.15                           | 921.855                        |
| <b>D.</b>                              | <b>Issued Capital after the Issue<sup>(2)</sup></b>   |                                  |                                |
|  | 1,97,95,141 Equity Shares of face value of ₹10/- each   | 1,979.51                         | 7,324.20                       |
| <b>E.</b>                              | <b>Securities Premium Account</b>   |                                  |                                |
|  | Before the Issue  | Nil                              | Nil                            |
|  | After the Issue <sup>(3)</sup>  | 1,416.69                         | 1,416.69                       |

<sup>(1)</sup> The present issue has been authorized by Board of Directors vide resolution passed at its meeting held on December 24, 2021 and by the Shareholders of our Company vide a special resolution passed pursuant to Section 62 (1) of the Companies Act, 2013 at the EGM held on January 18, 2022.

<sup>(2)</sup> Assuming full subscription and Allotment of the Equity Shares.

<sup>(3)</sup> Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue Expenses.

### Notes to Capital Structure

#### 1. Details of changes in authorized Share Capital:

The initial authorised capital of our Company was ₹1,00,000 consisting of 10,000 Equity Shares of ₹10/- each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

| Date of Shareholder's Meeting | Particulars of Change  |   | AGM/EGM |
|-------------------------------|--|---|---------|
|                               | From   | To  |         |
| March 9, 2015                 | ₹1,00,000 consisting of 10,000 Equity Shares of ₹10 each           | ₹1,00,00,000 consisting of 10,00,000 Equity Shares of ₹10 each    | EGM     |
| December 3, 2015              | ₹ 1,00,00,000 consisting of 10,00,000 Equity Shares of ₹ 10 each   | ₹5,00,00,000 consisting of 50,00,000 Equity Shares of ₹10 each    | EGM     |
| February 25, 2017             | ₹5,00,00,000 consisting of 50,00,000 Equity Shares of ₹10 each     | ₹10,00,00,000 consisting of 1,00,00,000 Equity Shares of ₹10 each | EGM     |
| March 26, 2018                | ₹10,00,00,000 consisting of 1,00,00,000 Equity Shares of ₹ 10 each | ₹15,00,00,000 consisting of 1,50,00,000 Equity Shares of ₹10 each | EGM     |
| December 02, 2021             | ₹15,00,00,000 consisting of 1,50,00,000 Equity Shares of ₹10 each  | ₹20,00,00,000 consisting of 2,00,00,000 Equity Shares of ₹10 each | EGM     |

#### 2. History of Issued and Paid Up Share Capital of our Company

| Date of Allotment | No. Equity Shares | Face Value (in ₹) | Issue Price (in ₹) | Nature of consideration      | Nature of Allotment                        | Cumulative No. of Equity Shares | Cumulative paid-up Capital (in ₹) |
|-------------------|-------------------|-------------------|--------------------|------------------------------|--|---------------------------------|-----------------------------------|
| March 21, 2014    | 10,000            | 10                | 1,00,000           | Cash                         | Subscription to MOA <sup>(1)</sup>         | 10,000                          | 1,00,000                          |
| March 24, 2015    | 6,47,500          | 10                | 10                 | Cash                         | Right Issue renounce basis <sup>(2)</sup>  | 6,57,500                        | 65,75,000                         |
| March 23, 2016    | 40,68,700         | 10                | 10                 | Cash                         | Rights Issue renounce basis <sup>(3)</sup> | 47,26,200                       | 4,72,62,000                       |
| March 10, 2017    | 43,21,941         | 10                | 10                 | Cash                         | Rights Issue renounce basis <sup>(4)</sup> | 90,48,141                       | 9,04,81,410                       |
| May 15, 2017      | 6,00,000          | 10                | 10                 | Cash                         | Rights Issue <sup>(5)</sup>                | 96,48,141                       | 9,64,81,410                       |
| June 20, 2017     | 50,000            | 10                | 10                 | Cash                         | Rights Issue Renounce basis <sup>(6)</sup> | 96,98,141                       | 9,69,81,410                       |
| March 06, 2018    | 2,50,000          | 10                | 10                 | Conversion of Unsecured Loan | Rights Issue <sup>(7)</sup>                | 99,48,141                       | 9,94,81,410                       |
| April 10, 2018    | 33,50,000         | 10                | 10                 | Cash                         | Rights Issue <sup>(8)</sup>                | 1,32,98,141                     | 13,29,81,410                      |
| July 20, 2018     | 5,00,000          | 10                | 10                 | Cash                         | Rights Issue basis <sup>(9)</sup>          | 1,37,98,141                     | 13,79,81,410                      |
| December 4, 2018  | 2,50,000          | 10                | 10                 | Cash                         | Rights Issue <sup>(10)</sup>               | 1,40,48,141                     | 14,04,81,410                      |
| December 22, 2018 | 2,50,000          | 10                | 10                 | Cash                         | Rights Issue <sup>(11)</sup>               | 1,42,98,141                     | 14,29,81,410                      |
| January 23, 2019  | 1,50,000          | 10                | 10                 | Cash                         | Rights Issue <sup>(12)</sup>               | 1,44,48,141                     | 14,44,81,410                      |
| February 15, 2019 | 1,00,000          | 10                | 10                 | Cash                         | Rights Issue <sup>(13)</sup>               | 1,45,48,141                     | 14,54,81,410                      |

(1) Subscription of to the MOA for the total of 10,000 Equity Shares by Aparna Arun Morale (5,000 Equity Shares) and Nana Prakash Mhaske (5,000 Equity Shares).

(2) Rights Issue of a total of 6,47,500 Equity Shares to Dr. Sudhakar Bangar (6,47,500).

(3) Rights Issue of a total of 40,68,700 Equity Shares to M/s. Empyrean Enviro (33,58,700), Syed Zafar Islam (5,00,000), Rasik Kunkulul (2,00,000) and Sakshi Vashist (10,000).

(4) Rights Issue of a total of 43,21,941 Equity shares to Empyrean Enviro (43,16,941) and Anant Kulkarni (5,000).

(5) Rights Issue of a total of 6,00,000 Equity shares to Nana Prakash Mhaske (3,00,000) and Anant Pandurang Kulkarni (3,00,000).

(6) Rights Issue of a total of 50,000 Equity shares to Swati Atul Rege (50,000).

(7) Rights Issue of a total of 2,50,000 Equity shares to Talisman Securities Private Limited (2,50,000).

(8) Rights Issue of a total of 33,50,000 Equity shares to Syed Zafar Islam (33,50,000).

(9) Rights Issue of a total of 5,00,000 Equity shares to Syed Zafar Islam (5,00,000).

(10) Rights Issue of a total of 2,50,000 Equity shares to Syed Zafar Islam (2,50,000).

(11) Rights Issue of a total of 2,50,000 Equity shares to Syed Zafar Islam (2,50,000).

(12) Rights Issue of a total of 1,50,000 Equity shares to Syed Zafar Islam (1,50,000)

(13) Rights Issue of a total of 1,00,000 Equity shares to Syed Zafar Islam (1,00,000)

### 3. Issue of Equity Shares for Consideration other than Cash or out of revaluation reserves and through Bonus Issue

| Date of Allotment | No. Equity Shares | Face Value (in ₹) | Issue Price (in ₹) | Nature of consideration      | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative paid-up Capital (in ₹) |
|-------------------|-------------------|-------------------|--------------------|------------------------------|---------------------|---------------------------------|-----------------------------------|
| March 06, 2018    | 2,50,000          | 10                | 10                 | Conversion of Unsecured Loan | Rights Issue        | 99,48,141                       | 9,94,81,410                       |

Except as disclosed above, our Company has not issued any Equity Shares (including bonus shares) for consideration other than cash or by capitalizing any revaluation reserves.

### 4. No Equity Shares have been allotted pursuant to any scheme approved under Sections 391-394 of the Companies Act, 1956 or Section 230-233 of the Companies Act, 2013.

5. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme Employee Stock Purchase Scheme from the proposed issue.

**6. Preference Share Capital history of our Company**

As on date of this Draft Prospectus our Company does not have any preference share capital.

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

8. Details of Build-up of our Promoter's shareholding, Promoters' Contribution and Lock-in:

As on the date of this Draft Prospectus, the Promoters of our Company, hold 82,90,641 Equity Shares, equivalent to 56.99% of the issued, subscribed and paid-up Equity Share capital of our Company and none of the Equity Shares held by the Promoters are subject to any pledge.

9. Build-up of our Promoters' Shareholding in our Company

Set forth below are the details of the build-up of the Equity Shareholding of our Promoters, since incorporation of our Company:

**a) APARNA MORALE BANGAR**

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction                         | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | % of pre issue capital | % of post issue capital | Cumulative number of Equity Shares |
|---|---|-------------------------|------------------------------------|--|--|------------------------|-------------------------|------------------------------------|
| March 21, 2014  | Subscription to the Memorandum of Association | 5,000                   | 10                                 | 10   | Cash   | 0.03                   | 0.025                   | 5,000                              |
| September 2, 2020   | Acquisition                                   | 76,75,641               | 10                                 | 10   | Cash   | 52.76                  | 38.80                   | 76,80,641                          |

**b) NANA PRAKASH MHASKE**

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction                         | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | % of pre issue capital | % of post issue capital | Cumulative number of Equity Shares |
|---|---|-------------------------|------------------------------------|--|--|------------------------|-------------------------|------------------------------------|
| March 21, 2014  | Subscription to the Memorandum of Association | 5,000                   | 10                                 | 10   | Cash   | 0.03                   | 0.025                   | 5,000                              |
| May 15, 2017  | Rights Issue                                  | 3,00,000                | 10                                 | 10   | Cash   | 2.06                   | 1.54                    | 3,05,000                           |

**c) ANANT PANDURANG KULKARNI**

| Date of Allotment / transfer and Date when made fully paid-up | Nature of transaction | Number of Equity Shares | Face value per Equity Share (in ₹) | Issue / transfer price per Equity Share (in ₹) | Nature of consideration (cash / other than cash) | % of pre issue capital | % of post issue capital | Cumulative number of Equity Shares |
|---|-----------------------|-------------------------|------------------------------------|--|--|------------------------|-------------------------|------------------------------------|
| March 10, 2017  | Rights Issue          | 5,000                   | 10                                 | 10   | Cash   | 0.03                   | 0.025                   | 5,000                              |
| May 15, 2017  | Rights Issue          | 3,00,000                | 10                                 | 10   | Cash   | 2.06                   | 1.54                    | 3,05,000                           |

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment of such Equity Shares.

**(i) Details of Promoters' Contribution Locked-in for three years**

Pursuant to Regulations 236 and 238 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be provided towards minimum Promoter' contribution and locked-in for a period of three years from the date of Allotment ("Minimum Promoter' Contribution"). Details of the Equity Shares (eligible for inclusion in the Minimum Promoter' Contribution, in terms of Regulation 33 of the SEBI ICDR Regulations) forming part of Minimum Promoter' Contribution and proposed to be locked-in for a period of three (3) years are as follows.

| Sr. No       | Name of the Promoter Shareholder | Number of Shares held | Number of Shares held for lock-in | Post Issue shares locked in (In %) |
|--------------|----------------------------------|-----------------------|-----------------------------------|------------------------------------|
| 1            | Aparna Morale Bangar             | 76,80,641             | 13,82,516                         | 18.00                              |
| 2            | Nana Prakash Mhaske              | 3,05,000              | 3,050                             | 1.00                               |
| 3            | Anant Pandurang Kulkarni         | 3,05,000              | 3,050                             | 1.00                               |
| <b>Total</b> |                                  | <b>82,90,641</b>      | <b>13,88,616</b>                  | <b>20.00</b>                       |

*Our Promoters have granted written consent to include such number of Equity Shares held by him as may constitute 20% of the post issue Equity Share capital of our Company as Minimum Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.*

*In terms of Regulation 237 of the SEBI ICDR Regulations, 2018, we confirm that the Minimum Promoters' Contribution of 20% of the Post Issue Capital of our Company as mentioned above does not consist of;*

- *Equity Shares acquired during the preceding three years for;*
  - *consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;*
  - *resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;*
- *The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;*
- *Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;*
- *No Equity shares have been issued to our Promoters upon conversion of a partnership firm during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the Promoters of the issuer and there is no change in the management are ineligible for Minimum Promoters' Contribution.*

**(ii) Equity Shares Locked-in for one year**

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance Equity Shares held by Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Issue as provided in clause (b) of Regulation 238 of the SEBI ICDR Regulations, 2018.

**(iii) Other requirements in respect of 'lock-in'**

In terms of Regulation 239 of the SEBI ICDR Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Issue.

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

In terms of Regulation 242 of the SEBI ICDR Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

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

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

**(iv) Transferability of Locked in Equity Shares:**

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

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

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



1. The table below represents the shareholding pattern of our Company as on the date of this Draft Prospectus:

| Category<br>(I) | Category of<br>Shareholder<br>(II)             | No. of<br>Shareholders<br>(III) | No. of<br>fully paid-<br>up Equity<br>Shares<br>held (IV) | No. of<br>Partly<br>paid-<br>up<br>Equity<br>Shares<br>held (V) | No. of<br>shares<br>underlying<br>depository<br>receipts<br>(VI) | Total No.<br>of shares<br>held (VII)<br>=<br>(IV)+(V)+<br>(VI) | Shareholdin<br>g as a % of<br>total no. of<br>Equity<br>Shares<br>(calculated<br>as per<br>SCRR)<br>(VIII) As a<br>% of<br>(A+B+C2) | Number of Voting Rights held<br>in each class of securities (IX) |            |                                   | No. of<br>Shares<br>underlying<br>outstandin<br>g<br>convertible<br>securities<br>(including<br>warrants) | Shareholdin<br>g as a %<br>assuming<br>full<br>conversion<br>of<br>convertible<br>securities<br>No. (a) | No. of<br>locked-in<br>Equity<br>Shares<br>(XII) |   | Number of<br>Equity<br>Shares<br>pledged or<br>otherwise<br>encumbered<br>(XIII) |   | No. of Equity<br>Shares held in<br>dematerialize<br>d form<br>(XIV)* |
|-----------------|--|---------------------------------|---|---|--|--|---|--|------------|-----------------------------------|---|---|--|---|--|---|--|
|                 |  |                                 |   |   |  |  |   | Class<br>(Equity)  | Total      | Total as<br>a % of<br>(A+B+C<br>) |   |   | No.<br>(a)                                       | As a<br>% of<br>total<br>share<br>s held<br>(b) | No.<br>(a)   | As a<br>% of<br>total<br>share<br>s held<br>(b) |  |
| (A)             | Promoters<br>and<br>Promoter<br>Group          | 3                               | 82,90,641   | -   | -  | 82,90,641  | 56.99   | 82,90,641  | 56.99      | -                                 | -   | -   | -  | -   | -  | -   | 79,85,641*   |
| (B)             | Public   | 6                               | 62,57,500   | -   | -  | 62,57,500  | 43.01   | 62,57,500  | 43.01      | -                                 | -   | -   | -  | -   | -  | -   | 62,57,500  |
| (C)             | Non-<br>Promoter-<br>Non-Public                | -                               | -   | -   | -  | -  | -   | -  | -          | -                                 | -   | -   | -  | -   | -  | -   | -  |
| (C1)            | Shares<br>underlying<br>depository<br>receipts | -                               | -   | -   | -  | -  | -   | -  | -          | -                                 | -   | -   | -  | -   | -  | -   | -  |
| (C2)            | Shares held<br>by employee<br>trusts           | -                               | -   | -   | -  | -  | -   | -  | -          | -                                 | -   | -   | -  | -   | -  | -   | -  |
| <b>Total</b>    |  | <b>9</b>                        | <b>1,45,48,141</b>  | <b>-</b>  | <b>-</b>   | <b>1,45,48,141</b>   | <b>100.00</b>   | <b>1,45,48,141</b>   | <b>100</b> | <b>-</b>                          | <b>-</b>  | <b>-</b>  | <b>-</b>   | <b>-</b>  | <b>-</b>   | <b>-</b>  | <b>1,42,43,141</b>   |

\*One of our Promoters Anant Pandurang Kulkarni holds 3,05,000 Equity Shares in physical form. Our Company has filed the requisite forms for conversion the equity into dematerialized form.

10. The shareholding pattern of our Promoters before and after the Issue is set forth below:

| Sr. No.   | Particulars              | Pre-Issue     |           | Post-Issue    |           |
|-----------|--------------------------|---------------|-----------|---------------|-----------|
|           |                          | No. of Shares | % Holding | No. of Shares | % Holding |
| Promoters |                          |               |           |               |           |
| 1.        | Aparna Morale Bangar     | 76,80,641     | 52.79     | 76,80,641     | 38.80     |
| 2.        | Nana Prakash Mhaske      | 3,05,000      | 2.10      | 3,05,000      | 1.54      |
| 3.        | Anant Pandurang Kulkarni | 3,05,000      | 2.10      | 3,05,000      | 1.54      |
| TOTAL     |                          | 82,90,641     | 56.99     | 82,90,641     | 41.88     |

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

| Sr. No. | Name of the Shareholders | No. of Equity Shares | Average Cost of Acquisition (in ₹.) |
|---------|--------------------------|----------------------|-------------------------------------|
| 1.      | Aparna Morale Bangar     | 76,80,641            | 10                                  |
| 2.      | Nana Prakash Mhaske      | 3,05,000             | 10                                  |
| 3.      | Anant Pandurang Kulkarni | 3,05,000             | 10                                  |

## 12. Major Shareholders

- a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 80% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Prospectus:

| Sr. No. | Name of the Shareholders            | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|---------|-------------------------------------|----------------------|-------------------------------------|
| 1.      | Aparna Morale Bangar                | 76,80,641            | 52.79                               |
| 2.      | Nana Prakash Mhaske                 | 3,05,000             | 2.10                                |
| 3.      | Anant Pandurang Kulkarni            | 3,05,000             | 2.10                                |
| 4.      | Syed Zafar Islam                    | 51,00,000            | 35.06                               |
| 5.      | Talisman Securities Private Limited | 2,50,000             | 1.72                                |
| 6.      | Vijayabai Chandrakant Mankoskar     | 6,47,500             | 4.45                                |
| 7.      | Rasik Kunkulol                      | 2,00,000             | 1.37                                |
|         | <b>Total</b>                        | <b>1,44,88,141</b>   | <b>99.57</b>                        |

- b) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (2) years prior to filing of this Draft Prospectus:

| Sr. No. | Name of the Shareholders            | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|---------|-------------------------------------|----------------------|-------------------------------------|
| 1.      | Aparna Morale Bangar                | 5,000                | 0.03                                |
| 2.      | Nana Prakash Mhaske                 | 3,05,000             | 2.01                                |
| 3.      | Anant Pandurang Kulkarni            | 3,05,000             | 2.01                                |
| 4.      | Empyrean Enviro                     | 76,75,641            | 52.76                               |
| 5.      | Sudhakar Bangar                     | 6,47,500             | 4.45                                |
| 6.      | Syed Zafar Islam                    | 51,00,000            | 35.06                               |
| 7.      | Rasik Kunkulol                      | 2,00,000             | 1.37                                |
| 8.      | Sakshi Vashisht                     | 10,000               | 0.07                                |
| 9.      | Swati Rege                          | 50,000               | 0.34                                |
| 10.     | Talisman Securities Private Limited | 2,50,000             | 1.72                                |
|         | <b>Total</b>                        | <b>14,548,141</b>    | <b>100.00</b>                       |

- c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (1) year from the date of filing of this Draft Prospectus:

| Sr. No.      | Name of the Shareholders            | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|--------------|-------------------------------------|----------------------|-------------------------------------|
| 1.           | Aparna Morale Bangar                | 76,80,641            | 52.79                               |
| 2.           | Nana Prakash Mhaske                 | 3,05,000             | 2.10                                |
| 3.           | Anant Pandurang Kulkarni            | 3,05,000             | 2.10                                |
| 4.           | Syed Zafar Islam                    | 51,00,000            | 35.06                               |
| 5.           | Talisman Securities Private Limited | 2,50,000             | 1.72                                |
| 6.           | Sudhakar Vishwanath Bangar          | 6,47,500             | 4.45                                |
| 7.           | Rasik Kunkulol                      | 2,00,000             | 1.37                                |
| <b>Total</b> |                                     | <b>1,44,87,641</b>   | <b>99.57</b>                        |

- d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Draft Prospectus:

| Sr. No.      | Name of the Shareholders            | No. of Equity Shares | % of Pre-Issue Equity Share Capital |
|--------------|-------------------------------------|----------------------|-------------------------------------|
| 1.           | Aparna Morale Bangar                | 76,80,641            | 52.79                               |
| 2.           | Nana Prakash Mhaske                 | 3,05,000             | 2.10                                |
| 3.           | Anant Pandurang Kulkarni            | 3,05,000             | 2.10                                |
| 4.           | Syed Zafar Islam                    | 51,00,000            | 35.06                               |
| 5.           | Talisman Securities Private Limited | 2,50,000             | 1.72                                |
| 6.           | Vijayabai Chandrakant Mankoskar     | 6,47,500             | 4.45                                |
| 7.           | Rasik Kunkulol                      | 2,00,000             | 1.37                                |
| <b>Total</b> |                                     | <b>1,44,87,641</b>   | <b>99.57</b>                        |

13. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
14. Neither the Lead Manager nor its associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares as on the date of filing of this Draft Prospectus.
15. None of our Promoters, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased Equity Shares by any other person during the six months immediately preceding the date of this Draft Prospectus.
16. There have been no financial arrangements whereby our Promoters, Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months preceding the date of this Draft Prospectus, other than in the normal course of business of the financing entity.
17. Our Company, our Promoters, our Directors and the Lead Manager to this Issue have not entered into any buy-back and/or standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Draft Prospectus.
18. There are no safety net arrangements for this public issue.
19. An oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue as a result of which, the post-issue paid up

capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.

20. 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 i.e., NSE). Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
21. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options, or rights to convert debentures, loans, or other financial instruments into our Equity Shares.
22. All the Equity Shares of our Company are fully paid up 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.
23. As per RBI regulations, OCBs are not allowed to participate in this Issue.
24. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
25. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
26. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
27. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
28. We have 9 Shareholders as on date of this Draft Prospectus.
29. Our promoters and members of our Promoter Group will not participate in the Issue.
30. One of our Promoters, Anant Pandurang Kulkarni holds 3,05,000 Equity Shares of the Company in Physical form. Our Company has submitted the requisite forms for converting the physical shares in dematerialized form. Except as mentioned above, the Equity Shares of our Company held by the Promoters are in dematerialised form as on the date of this Draft Prospectus.
31. Our Company has not made any public issue since its incorporation.
32. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.

#### **Other Miscellaneous Disclosures**

- a. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this draft prospectus.
- b. Our Company has not revalued its assets since incorporation.
- c. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of SEBI ICDR Regulations.
- d. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.

- e. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
- f. There are no Equity Shares against which depository receipts have been issued.
- g. Other than the Equity Shares, there is no other class of securities issued by our Company.
- h. This issue is being made through Fixed Price method.

## OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of 52,47,000 Equity Shares of our Company at an Issue Price of ₹37/- per Equity Share aggregating to ₹1,941.39 Lakhs.

We intend to utilize the proceeds of the Issue to meet the following objects:

1. To meet the Working Capital Requirements
2. General Corporate Purposes
3. To meet the Issue Expenses

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

In addition, we believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE (NSE Emerge). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects and the objects incidental and ancillary to the main objects of our Memorandum of Association enable our Company to undertake the activities for which the funds are being raised in the Fresh Issue. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

### Net Proceeds

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

| Particulars                             | Amount (₹ in Lakhs) | % of total issue size |
|---|---------------------|-----------------------|
| <b>Gross Issue Proceeds</b>             | <b>1941.39</b>      | <b>100.00%</b>        |
| Less: Expenses in relation to the Issue | 67.25               | 3.47%                 |
| <b>Net Issue Proceeds</b>               | <b>1874.14</b>      | <b>96.534%</b>        |

### Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

| Particulars                              | Amount (₹ in Lakhs) |
|--|---------------------|
| To meet the working capital requirements | 1,500.00            |
| General Corporate Purposes               | 374.14              |
| <b>Net Issue Proceeds</b>                | <b>1,874.14</b>     |

### Proposed schedule of Implementation and Utilisation of Net Proceeds

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

| Sr. No. | Particulars                | Amount to be funded from Net Proceeds | Amount to be deployed from the Net Proceeds in Fiscal 2022 | Amount to be deployed from the Net Proceeds in Fiscal 2023 | Amount to be deployed from the Net Proceeds in Fiscal 2024 |
|---------|----------------------------|---------------------------------------|--|--|--|
| 1.      | Working Capital            | 1,500.00                              | 26.10  | 951.14   | 522.76   |
| 2.      | General Corporate Purposes | 374.14                                | 374.14   | -  | -  |
|         | <b>Total</b>               | <b>1,874.14</b>                       | <b>400.24</b>  | <b>951.14</b>  | <b>522.76</b>  |

Our fund requirements and deployment of the Net Proceeds are based on management estimates as per our business plan based on current market conditions which are subject to change in the future. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution or any other independent agency. These are based on current market conditions and business needs, and are subject to revisions in light of changes in costs, our financial condition, business and strategy or external circumstances such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges, which may not be in our control. In the event the Issue is not completed in Fiscal 2022, the deployment schedule will be revised. Further, if the Net Proceeds are not utilised (in full or in part) for the objects of the Issue during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilised in subsequent periods as may be determined by our Company, in accordance with applicable laws.

This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law. In case we require additional capital towards meeting the objects of the Issue, our Company may explore a range of options including utilising internal accruals and availing additional debt from existing and/or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes within the permissible limit in accordance with applicable law. Our Company and Subsidiary may also utilise any portion of the Net Proceeds, towards the aforementioned objects of the Issue, ahead of the estimated schedule of deployment specified above.

### Means of Finance

The entire fund requirement for the stated objects of the Issue are to be funded from the proceeds of the Issue. Hence, no amount is required to be raised through means other than the Issue Proceeds. Therefore, the requirements under Regulation 230(1)(e) of the SEBI ICDR Regulations and Clause 9(C) of Part A of Schedule VI of the SEBI (ICDR) Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Further, in case of any increase in issue expense other than what is considered above or due to any escalation in brokerage or commission towards selling commission, the same shall be adjusted against general corporate purposes.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “**Risk Factors**” beginning on page 19 of this Draft Prospectus.

### Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

#### 1. To Meet Working Capital Requirements

Our business is working capital intensive as the major capital is invested in trade receivables and inventories. We fund our working capital requirements in the ordinary course of business from our internal accruals and, financing from banks and financial institutions.

Our Company requires additional working capital for executing its future orders that may be received, for funding future growth requirements of our Company and for other strategic, business and corporate purposes.

***Details of estimation of working capital requirement are as follows:***

As on December 31, 2021, our Company's working capital facilities consisted of an aggregate fund based limit of ₹1,492.79 Lakhs and we do not have any non fund based facilities. We propose to utilise ₹ 26.10 Lakhs, ₹ 951.14 Lakhs and ₹522.76 Lakhs from the Net Proceeds to fund the working capital requirements of our Company in Fiscal 2021-22, 2022-23 and 2023-24 respectively.

Our Company requires additional working capital for executing its future orders that may be received, for funding future growth requirements of our Company and for other strategic, business and corporate purposes.

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

Set forth below are the current assets and working capital requirement of our Company as on March 31, 2020, 2021 and October 31, 2021 derived from our Restated Financial Information:

| Description                              | Actuals         |                 |                 |
|--|-----------------|-----------------|-----------------|
|  | FY20            | FY21            | 7MFY22          |
| <b><i>Working capital</i></b>            |                 |                 |                 |
| Inventories                              | 822.98          | 857.98          | 1,517.98        |
| Trade receivables                        | 249.72          | 62.84           | 260.15          |
| Short term loans and advances            | 425.43          | 986.05          | 81.75           |
| Other current assets                     | 151.66          | 88.15           | 128.05          |
| <b>Non-cash current assets (I)</b>       | <b>1,649.80</b> | <b>1,995.03</b> | <b>1,987.93</b> |
| Trade Payables                           | 143.60          | 218.52          | 217.16          |
| Other current liabilities                | 0.00            | 11.85           | 5.44            |
| Short term provisions                    | 56.89           | 51.57           | 93.87           |
| <b>Non-debt current liabilities (II)</b> | <b>200.49</b>   | <b>281.94</b>   | <b>316.46</b>   |
| <b>Working capital (I - II)</b>          | <b>1,449.31</b> | <b>1,713.09</b> | <b>1,671.47</b> |
| Working capital facilities               | 24.69           | 395.08          | 317.32          |
| Internal accruals/ Equity*               | 1,424.00        | 1,318.00        | 1,354.00        |

\*Internal accruals include net cash accruals, retained earnings and promoter's margin, if any.

Set forth below are the estimated current assets and working capital requirements as on March 31, 2022, 2023 and 2024:

| Description                   | Projections |          |          |
|-------------------------------|-------------|----------|----------|
|                               | FY22        | FY23     | FY24     |
| <b><i>Working capital</i></b> |             |          |          |
| Inventories                   | 1,448.69    | 2,646.00 | 3,564.00 |
| Trade receivables             | 395.93      | 665.16   | 979.92   |
| Short term loans and advances | 81.75       | 81.75    | 81.75    |
| Other current assets          | 125.30      | 125.30   | 125.30   |



|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| <b>Non-cash current assets (I)</b>       | <b>2,051.67</b> | <b>3,518.21</b> | <b>4,750.97</b> |
| Trade Payables                           | 238.87          | 614.50          | 832.06          |
| Other current liabilities                | 0.00            | 0.00            | 0.00            |
| Short term provisions                    | 106.17          | 272.46          | 474.59          |
| <b>Non-debt current liabilities (II)</b> | <b>345.04</b>   | <b>886.97</b>   | <b>1,306.65</b> |
| <b>Working capital (I - II)</b>          | <b>1,706.63</b> | <b>2,631.24</b> | <b>3,444.33</b> |
| <b>Funding pattern</b>                   |                 |                 |                 |
| Working capital facilities               | 326.53          | 300.00          | 300.00          |
| Internal accruals/ Equity                | 1,354.00        | 1,354.00        | 1,644.33        |
| IPO Proceeds                             | <b>26.10</b>    | <b>977.24</b>   | <b>1,500.00</b> |

Pursuant to the certificate dated February 03, 2022, Tamanna Parmar & Associates, Chartered Accountants the Statutory Auditors of the Company have compiled and confirmed the working capital estimates and working capital projections, as approved by the Board pursuant to its resolution dated February 03, 2022. Our Statutory Auditors have provided no assurance or services related to any prospective financial information or projections.

#### *Assumptions for working capital requirements*

Holding levels and justifications for holding period levels derived from our Audited Restated Financial Statements.

| (₹. in Lakhs)                     |            |            |            |            |            |            |            |
|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|
| Description                       | FY19       | FY20       | FY21       | 7MFY22     | FY22       | FY23       | FY24       |
| <b>Current asset ratios</b>       |            |            |            |            |            |            |            |
| Inventory                         | 68         | 111        | 120        | 110        | 119        | 109        | 68         |
| Account receivable                | 21         | 8          | 21         | 30         | 30         | 30         | 21         |
| Short term loans and advances     | 39         | 144        | 8          | 7          | 4          | 3          | 39         |
| Other current assets              | 14         | 13         | 12         | 11         | 7          | 5          | 14         |
| <b>Total</b>                      | <b>142</b> | <b>277</b> | <b>160</b> | <b>158</b> | <b>161</b> | <b>147</b> | <b>142</b> |
| <b>Current liabilities ratios</b> |            |            |            |            |            |            |            |
| Accounts payable                  | 17         | 39         | 17         | 20         | 30         | 30         | 17         |
| Other current liabilities         | 13         | 32         | 34         | 21         | 33         | 31         | 13         |
| Short term provisions             | 5          | 8          | 15         | 9          | 15         | 18         | 5          |
| <b>Total</b>                      | <b>35</b>  | <b>79</b>  | <b>66</b>  | <b>50</b>  | <b>78</b>  | <b>79</b>  | <b>35</b>  |
| <b>Working Capital Days</b>       | <b>107</b> | <b>198</b> | <b>94</b>  | <b>108</b> | <b>82</b>  | <b>68</b>  | <b>107</b> |

#### *Justifications for holding period levels*

| S. No. | Particulars                   | No. of days  |
|--------|-------------------------------|--|
| 1.     | Inventories                   | <i>Inventory days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 are assumed to be in similar range as existing at March 31, 2021 and October 31, 2021</i>                     |
| 2.     | Account receivables           | <i>Trade Receivables days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 are assumed to be in similar range as existing at March 31, 2021 and October 31, 2021</i>             |
| 3.     | Short term loans and advances | <i>Short Term Loans and Advances days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 are assumed to be in similar range as existing at March 31, 2021 and October 31, 2021</i> |

|    |                           |  |
|----|---------------------------|--|
| 4. | Other current assets      | <i>Other Current Assets days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 are assumed to be in similar range as existing at March 31, 2021 and October 31, 2021</i>      |
| 5. | Trade payables            | <i>Trade Payables days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 are assumed to be in similar range as existing at March 31, 2021 and October 31, 2021</i>            |
| 6. | Other Current Liabilities | <i>Other Current Liabilities days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 are assumed to be in similar range as existing at March 31, 2021 and October 31, 2021</i> |
| 7. | Short Term Provisions     | <i>Short Term Provisions days for Fiscal 2022, Fiscal 2023 and Fiscal 2024 are assumed to be in similar range as existing at March 31, 2021 and October 31, 2021</i>     |

We propose to utilise ₹26.10 Lakhs, ₹951.14 Lakhs and ₹522.76 Lakhs from the Net Proceeds to fund the working capital requirements of our Company in Fiscal 2021-22, 2022-23 and 2023-24 respectively.

The Board of Directors of our Company pursuant to its resolution dated February 03, 2022 has approved the working capital requirements of our Company. See “**Material Contracts and Documents for Inspection – Material Documents**” on page 290.

## 2. General corporate purposes

Our management in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. The Net Proceeds will first be utilised towards working capital requirements as set out above. We intend to deploy the balance left out of the Net Proceeds towards our general corporate purposes to drive our business growth, as approved by our management, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Fresh Issue, in compliance with the SEBI (ICDR) Regulations.

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

- (i) funding growth opportunities;
- (ii) servicing our repayment obligations (principal and interest) under our future financing arrangements;
- (iii) capital expenditure, including towards development/refurbishment/renovation of our assets;
- (iv) meeting ongoing general corporate purposes or contingencies; and/or
- (v) strategic initiatives;
- (vi) meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

## 3. Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ 67.25 Lakhs. The expenses of this Issue include, among others, include issue management fees, underwriting fees, selling commission, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges and listing fees, statutory expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange.

The estimated Issue expenses are as follows:

| Activity  | Estimated expenses* (₹ In Lakhs) | As a % of the total estimated Issue expenses | As a % of the total Issue size |
|---|----------------------------------|--|--------------------------------|
| Lead Manager, Registrar, Market Maker, Underwriter Registrar to the Issue, Legal Advisors Fees, Brokerage & Selling Commission, Industry Report and upload Fees, etc. | 62.25                            | 92.57%                                       | 3.22%                          |
| Advertising and marketing expenses  | 2.00                             | 2.97%  | 0.10%                          |
| Printing and distribution of issue stationery   | 2.00                             | 2.97%  | 0.10%                          |
| Fees to regulators, including stock exchange  | 1.00                             | 1.49%  | 0.05%                          |
| <b>Total estimated Issue expenses</b>   | <b>67.25</b>                     | <b>100.00%</b>                               | <b>3.47%</b>                   |

**Note:**

- **ASBA Bankers:** The SCSBs will be entitled to selling commission of 0.01% (plus GST) of the amount allotted (product of the no. 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 on the portion of Retail Individual Bidders and Non-Institutional Bidders. No other fees/commission shall be payable on the application forms directly procured by them.

The SCSBs would be entitled to processing fees of 0.01% (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price), for processing the application forms procured by other intermediaries and submitted to SCSBs for processing.

- **SYNDICATE ASBA:** Other intermediaries will be entitled to procurement fees of ₹10/- (plus GST) per valid application form for the forms directly procured by them and submitted to SCSBs for processing by them on the portion of Retail Individual Bidders and Non-Institutional Bidders.
- **Issuer banks for UPI Mechanism** as registered with SEBI would be entitled to a processing fee of ₹10/- (plus GST) per valid application form made by the Retail Individual Bidders using the UPI mechanism for processing.
- 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.

## Bridge Loan

As on the date of this Draft Prospectus, our Company has not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

## Appraising Entity

None of the above objects of the Issue have been appraised by any bank or financial institution or any other independent third party. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

## Interim Use of Proceeds

Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### **Monitoring Utilization of Funds**

As the size of the Issue will not exceed Rs.10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations.

Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

### **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 authorized 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 and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

### **Other Confirmations**

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel, director of promoters in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel, except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR ISSUE PRICE

The Issue Price of the Issue is fixed at ₹37/- (including a premium of ₹27/- each) per Equity Shares by our Company in consultation with the Lead Manager on the basis of assessment of market demand for the Equity Shares offered through the Issue and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹10/- each and the Issue Price is 3.7 times the face value.

Investors should read the following summary with the sections titled “**Risk Factors**”, the details about our the business of our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information**” on pages 19, 99 and 144, respectively of this Draft Prospectus, to have an informed view before making an investment decision.

### Qualitative Factors

We believe that the following qualitative factors and business strengths allow us to successfully compete in the industry which form the basis for computing the Issue Price:

- Experienced Promoter and Management
- Scalable Business Model
- Existing relationship with suppliers and customers
- Cost effective production and timely fulfilment of orders
- Growing presence of brand Krishival in more than 26 cities and tier II and tier III towns across India.
- Consistency in maintaining crunchiness and aroma
- Huge untapped market to grow approx. ₹20,800 crores
- Brand Krishival can be leveraged by expanding to other nuts and nuts-based products
- Continuous upgrading in automation and production process

For further details, see “**Our Business – Our Competitive Strengths**” on page 100 of this Draft Prospectus.

### Quantitative Factors

Some of the information presented in this section is derived from the Audited Restated Financial Information. For details, see section titled “**Financial Information**” on page 144 of this Draft Prospectus.

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

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

Basic and Diluted Earnings Per Share for the last three years and for the seven month period ended on October 31, 2021.\*

| Year Ended                        | Basic EPS<br>(in ₹) | Diluted EPS<br>(in ₹) | Weight |
|-----------------------------------|---------------------|-----------------------|--------|
| March 31, 2021                    | 0.46                | 0.46                  | 3      |
| March 31, 2020                    | 0.66                | 0.66                  | 2      |
| March 31, 2019                    | 0.47                | 0.47                  | 1      |
| <b>Weighted Average</b>           | <b>0.53</b>         | <b>0.53</b>           |        |
| October 31, 2021 (Not annualized) | 1.15                | 1.15                  |        |

\*Source: Audited Restated Financial Statements

Notes:

(1) Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e.  $\{(EPS \times Weight) \text{ for each year} \} / \{Total \text{ of weights} \}$ .

(2) The face value of each Equity Share is ₹ 10.

(3) Earnings per Share is calculated in accordance with AS 20 'Earnings Per Share'.

(i) Basic Earnings per share (INR) =  $\frac{\text{Net Profit/(loss) after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares\#}}$

(ii) Diluted Earnings per share (INR) =  $\frac{\text{Net Profit/(loss) after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive shares\#}}$

#Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares bought back or issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to balance sheet date Weighted average number of dilutive equity shares.

## 2. Price/Earning ("P/E") ratio in relation to Issue Price of ₹ 37/- per Equity Share

| Particulars  | P/E at Issue Price<br>(No. of times) |
|--|--------------------------------------|
| Based on basic EPS for Fiscal 2021                                 | 80.43                                |
| Based on diluted EPS for Fiscal 2021                               | 80.43                                |
| Based on basic & diluted EPS for October 31, 2021 (Not annualized) | 32.17                                |

Source: Audited Restated Financial Statements

## 3. Industry Peer Group Price / Earning (P/E) ratio

There are no listed companies in India that is engaged in a business similar to that of our Company and comparable to our scale of operations. Therefore, it is not possible to provide an industry comparison in relation to our Company.

## 4. Return on Net Worth ("RoNW")

Derived from Audited Restated Financial Statements of the Company:

| Year Ended                                     | Return on Net Worth<br>(RoNW) % | Weight |
|--|---------------------------------|--------|
| March 31, 2021                                 | 3.44%                           | 3      |
| March 31, 2020                                 | 4.93%                           | 2      |
| March 31, 2019                                 | 3.77%                           | 1      |
| <b>Weighted Average RoNW</b>                   | <b>3.99%</b>                    |        |
| Period ended October 31, 2021 (Not annualized) | 7.90%                           |        |

Notes:

Return on Net Worth (RoNW) (%) =  $\frac{\text{Net Profit/ Loss after tax (as restated)}}{\text{Net Worth at the end of the year}}$

Net Worth = Equity share capital + Instruments in the nature of equity + Other Equity (including Securities Premium and Surplus/ (Deficit))

Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e.  $\{(\text{Return on Net Worth} \times \text{Weight}) \text{ for each year}\} / \{\text{Total of weights}\}$

## 5. Net Asset Value per Equity Share ("NAV") of face value of Rs.10 each

| Fiscal                 | NAV (in Rs.) |
|------------------------|--------------|
| As on March 31, 2021   | 13.36        |
| As on October 30, 2021 | 14.51        |
| After the Issue        |              |
| -At the Issue Price    | 20.47        |

Note:

Net Asset Value per Equity Share represents net worth, as restated, divided by the number of Equity Shares outstanding at the end of the year.

Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company.

## 6. The average cost of acquisition per Equity Share by our Promoter

| Name of the Promoter     | No of Equity Shares held | Average Cost of Acquisition<br>(in Rs) |
|--------------------------|--------------------------|--|
| Aparna Morale Bangar     | 76,80,641                | 10                                     |
| Nana Parakash Mhaske     | 3,05,000                 | 10                                     |
| Anant Pandurang Kulkarni | 3,05,000                 | 10                                     |

*\*The same has been confirmed by the Statutory Auditors M/s Tamanna Parmar & Associates, Chartered Accountants, vide their Certificate dated February 03, 2022. For further details, please see the section “Capital Structure” on 49 of this Draft Prospectus.*

## 7. Comparison of Accountig Ratios with Listed Industry Peers

As on the date of this Draft Prospectus, there are no comparable peer which is listed in India and which are engaged in the same line and comparable to the scale of operation of our Company, hence comparison with industry peers are not applicable.

### Notes:

The Company in consultation with the Lead Manager believes that the Issue price of ₹37/- 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 section titled Financial Information 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 3.7 times of the face value i.e., ₹ 37/- per share.

Investors should read the above mentioned information along with “**Risk Factors**”, “**Our Business**”, “**Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 19, 99, 144 and 184 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “**Risk Factors**” on page 19 and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO EMPYREAN CASHEWS LIMITED (“THE COMPANY”), ITS MATERIAL SUBSIDIARY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA

To  
The Board of Directors  
**Empyrean Cashews Limited**  
1309, Lodha Supremus Powai,  
Saki Vihar Road, Opp. MTNL Office,  
Powai Mumbai-400072

**Subject: Statement of Possible Special Tax Benefits available to the Company, its Material Subsidiary and the shareholders of the company under the direct and indirect tax laws**

Dear Sirs,

We Tamanna Parmar and Associates, the statutory auditors of Empyrean Cashews Limited refer to the proposed initial public offering of equity shares of Empyrean Cashews Limited (“the Company” and such offering the “Issue”). We enclose herewith the statement (the “Annexure”) showing the current position of special tax benefits available to the Company and the shareholders of the Company as per the provisions of the Indian direct and indirect tax laws, including the Income Tax Act 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively the “Taxation Laws”), including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws and the Foreign Trade Policy 2015-2020 (which has been extended now i.e., up to 30<sup>th</sup> September 2021 vide Notification no 48/2015-2020 dated 31 March 2021) and also to the Material Subsidiary of the Company ( as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, namely Siddhivinayak Cashew Industries Private Limited (the “Material Subsidiary”) and applicable to the assessment year 2022-23 relevant to the Financial Year (FY) 2021-22 for inclusion in the Draft Prospectus (“DP”) and Prospectus for the proposed initial public offering of shares of the Company, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”)

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws, including the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation in the Issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

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

We hereby give our consent to include this statement and the enclosed Annexure regarding the special tax benefits



available to the Company, its Material Subsidiary and the shareholders of the Company in the DP and Prospectus for the proposed public offering of equity shares of the Company, which the Company intends to submit to the Securities and Exchange Board of India, and the stock exchanges (National Stock Exchange of India Limited and Bombay Stock Exchange Limited) where the equity shares of the Company are proposed to be listed, provided that the below statement of limitation is included in the DP.

## **LIMITATIONS**

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views 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. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed Issue relying on the Annexure.

This statement has been prepared solely in connection with the Issue under the ICDR Regulations.

### **For Tamanna Parmar and Associates**

#### **Chartered Accountants**

Firm Registration No. :014444C

#### **CA Tamanna Parmar**

Proprietor

Membership No: 409291

Place: Udaipur

Date: February 03, 2022

UDIN: 2240929AAMYVJ9059

## **ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO VERANDA LEARNING SOLUTIONS LIMITED (“THE COMPANY”), ITS MATERIAL SUBSIDIARY AND THE COMPANY’S SHAREHOLDERS**

The information provided below sets out the possible special tax benefits available to the Company, its Material Subsidiary and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current tax laws presently in force. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfil. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement. The statement below covers only relevant special direct and indirect tax law benefits and does not cover benefits under any other law.

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

### **STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARY AND TO THE SHAREHOLDERS OF THE COMPANY**

#### **Under the Income Tax Act, 1961 (the Act)**

##### **I. *Special tax benefits available to the Company***

- A.** Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the Financial Year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified deductions or set-off of losses, depreciation etc., and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. Further, if the conditions mentioned in section 115BAA are not satisfied in any year, the option exercised shall become invalid in respect of such year and subsequent years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

The company has not opted for section 115BAA of the Act for Assessment Year 2020-21 and has represented us that as on the date of statement they have not opted for section 115BAA of the Act for AY 2021-22.

##### **B. *Deductions from Gross Total Income***

###### **Deduction in respect of employment of new employees:**

Subject to the fulfillment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act.

###### **Deduction in respect of inter-corporate dividends – Section 80M of the Act**

Up to 31<sup>st</sup> March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax (“DDT”), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the

Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1<sup>st</sup> April 2020 is liable to tax in the hands of the shareholder, other than dividend on which tax under section 115-O has been paid. The company is required to deduct Tax at Source (“TDS”) at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a shareholder which is a domestic company as defined in section 2(22A) of the Income-tax Act, 1961, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

## **II. *Special direct tax benefits available to Shareholders***

- The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates based in the provisions of the Act. In case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend. The shareholders would be eligible to claim the credit of such tax in their return of income.
- With respect to a domestic corporate shareholder, deduction shall be available under section 80M of the Act on fulfilling the conditions (as detailed above).
- As per Section 112A of the Act, long-term capital gains arising from transfer of an equity share shall be taxed at 10% plus applicable surcharge and cess (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act. It is worthwhile to note that tax shall be payable where such long-term capital gains exceed INR 1,00,000.
- As per Section 111A of the Act, short term capital gains arising from transfer of a listed equity share, shall be taxed at 15% plus applicable surcharge and cess subject to fulfillment of prescribed conditions under the Act.
- In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and subject to entitlement to such treaty benefit.

## **III. *Special direct tax benefits available to Material Subsidiary***

The Material Subsidiary of the Company, being resident Indian entities can claim the above benefits as is available to the Company under the provisions of the Income-tax Act, 1961.

### **Notes:**

1. The benefits in I, II and III above are as per the current tax law as amended by the Finance Act, 2021.
2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

3. Surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores.
4. We note that if the Company opts for concessional income tax rate under section 115BAA of the Act. Accordingly, surcharge shall be levied at the rate of 10% irrespective of the amount of total income.
5. Health and Education Cess @ 4% on the tax and surcharge is payable by all category of tax payers.
6. Business losses, arising during the year can be set off against the income under any other head of income, other than income under the head 'salaries. Balance business loss can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of the IT Act, however, subject to section 115BAA.
7. We note that if the Company opts for concessional tax rate under section 115BAA of the Act it will not be allowed to claim any of the following deductions:
  - Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
  - Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
  - Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
  - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
  - Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
  - Deduction under section 35CCD (Expenditure on skill development)
  - Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA and section 80M;
  - No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
  - No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above
8. Further, it is also clarified in section 115JB(5A) that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.
9. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

**STATEMENT OF POSSIBLE INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARY AND THE SHAREHOLDERS OF THE COMPANY**

**I. *Special tax benefits available to the Company***

- The company has a negligible amount of exports however Refund benefit under zero rated supply is not applicable.
- The company is importing Raw materials and They are not availed any Free Trade Agreement (FTA) benefits.
- Rebate of State & Central Taxes and Levies (RoSCTL) or Merchandise Exports from India Scheme (MEIS) is not applicable as there is no export supplies made by the company.
- Duty drawback, EPCG etc., no other benefit shall be available which are against export supplies.

**II. *Special tax benefits available to Shareholders***

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

**Notes:**

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

**III. *Special tax benefits available to MATERIAL SUBSIDIARY***

There are no possible special tax benefits available to Material Subsidiary of the Company under the indirect tax laws.

## **SECTION IV – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

*Unless otherwise indicated, the information in this section is obtained or extracted from the “Industry Report on Indian Cashew Market” dated November 01, 2021 (the “D&B Report”) prepared and released by Dun & Bradstreet and the DUNS number for the same being 874103972. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Unless otherwise indicated, financial, operational, industry and other related information included herein with respect to any particular year refers to such information for the relevant calendar year.*

*The abovementioned report has been issued with the following disclaimer “This report (research report on cashew industry) delivered on November 01, 2021 has been undertaken through extensive secondary research, which involves compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Dun & Bradstreet (“Dun & Bradstreet”) and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

*Dun & Bradstreet has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged. Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.*

*The recipient should conduct its own investigation and analysis of all facts and information contained in this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction ”*

### **India Macro-Economic Overview**

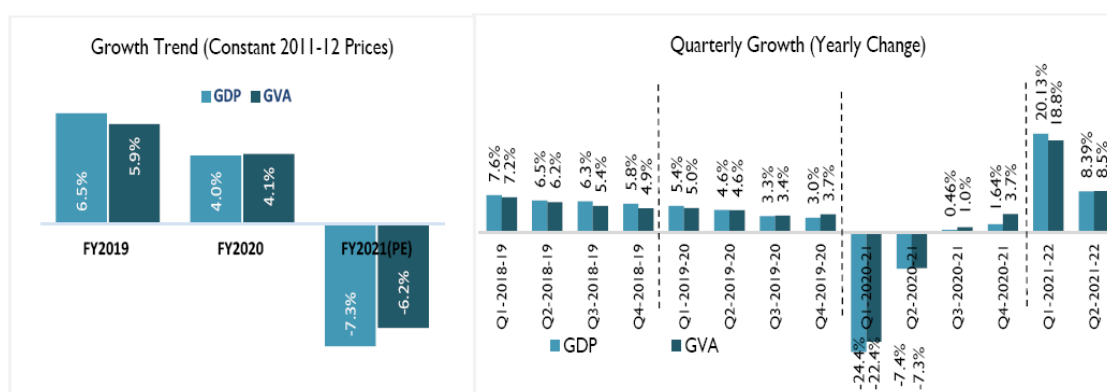
#### **Introduction**

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.

### **INDIAN ECONOMY AT LARGE**

The Covid-19 pandemic which broke out in November 2019 and spread out to infect more than 190 countries across the globe by May 2020 - has forced economies (both, developed, as well as developing) to go into lockdown mode, to contain the spread of the disease. The COVID-19 induced lockdown and the necessary containment measures have led to a serious blow on economic activity globally including India in March 2020, the country was struck by the Covid-19 outbreak. Hit by the coronavirus pandemic and subsequent lockdown, India's annual GDP growth shrunk by 7.3% in FY 2021 as compared to 4% y-o-y growth in the previous year. On a quarterly basis, GDP growth has observed a steady reduction since Q1 FY 2019 though it remained in positive zone till Q4 FY 2020. Post March 2020, the Covid-19 pandemic ravaged the economy where India's GDP contracted by the steepest among G20 nations during the Q1 FY 2021. During the April – June 2020 period, India's GDP contracted by 23.9%. This was largely in line with expectation as the economy was under strict lockdown nearly two months of the first quarter. The lockdown was lifted partially in May end, and since then the economic is being opened in phases. Unlocking of the economy in phases, helped the economy to narrow down the losses but at broader level the overall GVA continued to decline on annual basis in FY 2021.

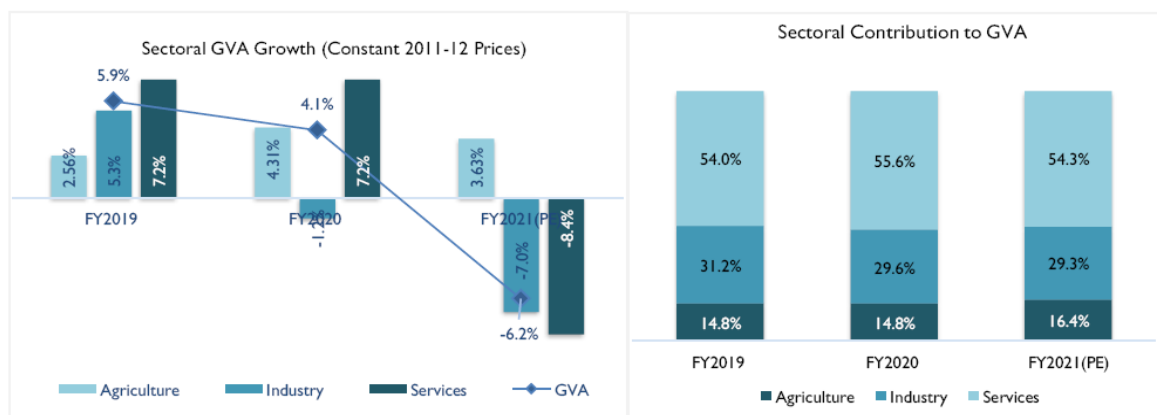
Pandemic induced depressed business sentiments and restriction pull down the overall GVA growth in FY 2021. According to the MOSPI data, annual GVA growth declined by 6.2% in FY 2021, as against 4.1% growth in FY 2020.



Source: MOSPI. R.E.: Revised Estimate. P.E.: Provisional Estimate

## Annual Sectoral Performance

Pandemic induced lockdown and restriction pull down the overall GVA growth in FY 2021. According to the Provisional Estimates released by MoSPI, annual GVA growth declined by 6.2% in FY 2021, as against 4.1% in FY 2020.



Source: MoSPI. R.E.: Revised Estimate. P.E.: Provisional Estimate

On sectoral basis, only agriculture sector registered growth in FY 2021, although it moderate in comparison to last year, while annual growth in industrial and services sector contracted by 7% and 8.4% respectively. The positive change in agriculture output is attributed to normal monsoon along with yearlong water availability in reservoirs and slew of measures announced by the government to support agriculture and allied sector.

In the industrial sector, growth across major economic activity such as mining, manufacturing, construction sector slumped, and it registered a decline of 8.5%, 7.2% and 8.6% in FY 2021 against -2.5%, -2.4% and mild 1% change in FY 2020, respectively. Within industrial sector, only utilities sector observed growth of 1.9%, although it continued to slow in FY 2021 as compared to 2.1% y-o-y growth in FY 2020 and 8% in FY 2019.

Talking about the services sectors performance, the overall sector growth was worst hit largely due to sharp contraction (-18.2% y-o-y change in FY 2021) in the GVA generated by the trade, hotels, transport, communication, and services related to broadcasting hit segment. Particularly, services related to hospitality was the one of the first sector that got affected with Pandemic and is still dealing with ailing business scenario. Other segment too within broader services industry i.e., Financial, Real Estate & Professional Services and Public Administration, Defense, & Other Services are estimated to contract by 1.5% and 4.6% on y-o-y basis, respectively. The pandemic driven slowdown in manufacturing and service sector was a drag to the overall GVA in FY 2021.

## India's Economic Outlook

The abatement of the 2<sup>nd</sup> wave and the strong push for vaccination has uplifted the business optimism and the growth prospects of the economy. With easing of containment measures, mobility is increasing, and several high frequency indicators also point to the pick-up in the economic activities. Dun & Bradstreet's latest analysis shows, optimism amongst businesses for Q3 2021 has revived from the dip witnessed in the previous quarter. Optimism levels improved as business activity picked up. The pickup in business activity is also indicated by our COVID-19 Commerce Disruption Tracker. Data shows around 23% of businesses in India remained disrupted by 2<sup>nd</sup> week of July 2021 from close to 50% of businesses from 3<sup>rd</sup> week of May 2021.

While the data for e-way bills also indicate the increase in business activity, the rise in two & three wheelers and tractor sales reflect the return of demand in the rural segment on better monsoon prospects. The hike in dearness allowance from 17% to 28% for the current and retired government employees should also support the revival in aggregate demand which is yet to gather a strong foothold.

The external demand has also been supporting the revival in growth. India posted robust growth in exports in tandem with the world merchandise trade. India's exports surpassed the USD 30Bn mark for the fourth month in a row in June 2021 while non-oil export growth has been growing positively for the 10<sup>th</sup> consecutive month. Foreign investors'



confidence on the economy augurs well for the growth prospects. India was the fifth largest recipient of FDI inflows in the world in 2020 according to UNCTAD (United Nations Conference on Trade and Development). The financial stability maintained would also help to support the recovery process. According to the data given in the semi-annual Financial Stability Report (FSR) for 2021-22, the dent on balance sheets and performance of financial institutions in India has been much less than what was projected earlier. Stress tests carried out by the RBI (Reserve Bank of India) indicate a limited impact of macroeconomic and other shocks on the Indian banking sector.

It is important to note that while recovery is underway, it is underlined by risks. The relative lack of access of vaccines in developing countries, the rapid spread of the COVID-19 Delta variant and the global spillovers might curb the economic rebound. The rapid re-opening of economic activities in India too raises the prospect of renewed outbreaks. It is to be noted that increase in the COVID-19 cases with variants of concern from 10% in May to 51% on 20 June 2021 in 174 districts can be a cause of worry.

India's debt burden, which has already touched 90% of GDP, is likely to increase if the parliament approves the government demand for additional spending of Rs 236.8 Bn for FY22 which is above the budgeted INR 34.8 Tn announced for FY22 in February. This will lead to excessive cost of servicing if not an immediate sovereign credit ratings downgrade. The high international commodity prices, elevated shipping costs and current inflationary situation in India is a cause of concern. Crude oil prices remain elevated. The revival of monsoon in India is accompanied by extreme rainfall events and this can pose disruption to the sowing activity which is already lagging (till 9<sup>th</sup> July, kharif crop sowing is 10.4% lower than the previous year), raising concerns over food grain output and consequent food inflationary pressures. The shock to household finances poses a risk to firming up of aggregate demand. Rise in retail inflation above the central bank target range ceiling in May and June 2021 despite the depression in demand, is likely to restrain real incomes. Moreover, household savings are likely to have been depleted by medical expenses. Thus, we do not expect GDP to grow above 8% in FY22 and our outlook reflects the shock to household finances, some pass through of input price to retail inflation, and uncertainty about future pandemic waves.

## **CASHEW INDUSTRY IN INDIA**

### **Introduction**

Cashew ((Scientific Name - *Anacardium Occidentale*) is a tree native of Eastern Brazil, was introduced to the world including India by the Portuguese. In India, cashew was first introduced in Goa (then the Portuguese Colony) in the 16th century. Initially, it was noticed that the tree grew on poor sandy soils along the coastal belt and was used as an anti-soil erosion measure. Thus, cashew tree plantation prospered and spread naturally in Africa and India. Later, it was discovered that Cashew Kernels extracted out of Raw Cashew Nuts (RCN) which is a valuable food and has commercial value. In India, its commercial cultivation began in the early 1960s and today it is crop with high economic value. As per industry sources, a cashew tree is ready for harvest in three years. Presently, India is second largest producer of cashew crops in the world after Ivory Coast. Maharashtra, Andhra Pradesh, Odisha, Karnataka, Tamil Nadu Kerala, and Goa are the major cashew producing states in India.

In fact, India was the first country which started commercial processing of Cashew Nuts and is gradually emerging as the processing hub of cashew. Currently, India's share in global cashew processing is estimated at around 39%, second after Vietnam which accounts 52% share. India is also second largest exporter of cashew kernel after Vietnam and earns considerable foreign exchange for the country. Besides, economic significance, the industry provides employment to more than 1.5 Mn people in farms and factories which are largely in rural areas. The industry thus plays an important role in socio-economic upliftment of the rural India.

### **Product Overview**

The cashew tree produces cashew nut also referred as cashew kernel, an edible kidney-shaped nut, which is rich in oil and protein. Cashew kernels are attached on the exterior of a swollen fleshy peduncle called the Cashew Apple. In its raw state, cashew kernel is covered by a Testa membrane (cashew husk) and a thick outer shell which effectively

guards the kernel from ravages of nature right from harvesting to processing stage. In raw form, the cashew kernel is soft, white, and meaty which require processing. Cashew nut processing include roasting / steaming, shelling, and peeling of raw cashew nuts to extract Cashew Kernels (primary processing) which are further sorted, graded, and packed.

Cashew Kernels, for commercial purposes, are graded based on their color, size, and shape. Grading and packing grading of cashew kernels is done for export purposes-based on number of kernels per pound. These are graded into white/scorched wholes, pieces, splits, butts etc., depending on their shape, size & color. Butts, splits, and pieces are priced lower than the whole cashew and are ideal for cooking, preparation of sweets and savoury snacks. The Government of India Act prescribes 33 different grades of cashew kernels while only 26 grades are commercially manufactured and exported. The specifications for graded kernels are that they should be fully developed, ivory white in colour, free from insect damage and should not have black or brown spots. Packing is done in time by Vita pack method (exhausting the air inside the packing tin, pumping in carbon dioxide and sealing). The major variety of cashew kernel include:

| Grade                         | Specification   |
|-------------------------------|---|
| <b>W - 180, (super large)</b> | It is the ' King of Cashew ' - They are larger in size and very expensive Between 120 and 180 kernels per lb (266-395 per kg)             |
| <b>W - 210, (large)</b>       | are popularly known as ' Jumbo ' nuts.<br><br>200 and 210 kernels per lb (395-465 per kg)   |
| <b>W - 240,</b>               | it is an attractive grade which is reasonably priced. 230 and 240 kernels per lb (485-530 per kg)   |
| <b>W - 280</b>                | 270 and 280 kernels per lb (575-620 per kg)   |
| <b>W - 320</b>                | are the most popular among cashew kernels and highest in terms of availability, worldwide.<br>300 and 320 kernels per lb (660-706 per kg) |
| <b>W - 450,</b>               | are the smallest and cheapest white whole kernels<br>400 and 450 kernels per lb (880-990 per kg)  |

Scorched wholes are another grade of cashew kernel that are slight brownish in colour due to longer roasting, having all the other characteristics of white kernels and similar nutritional qualities.

#### **Value added product of Cashew Kernel and Cashew Nut**

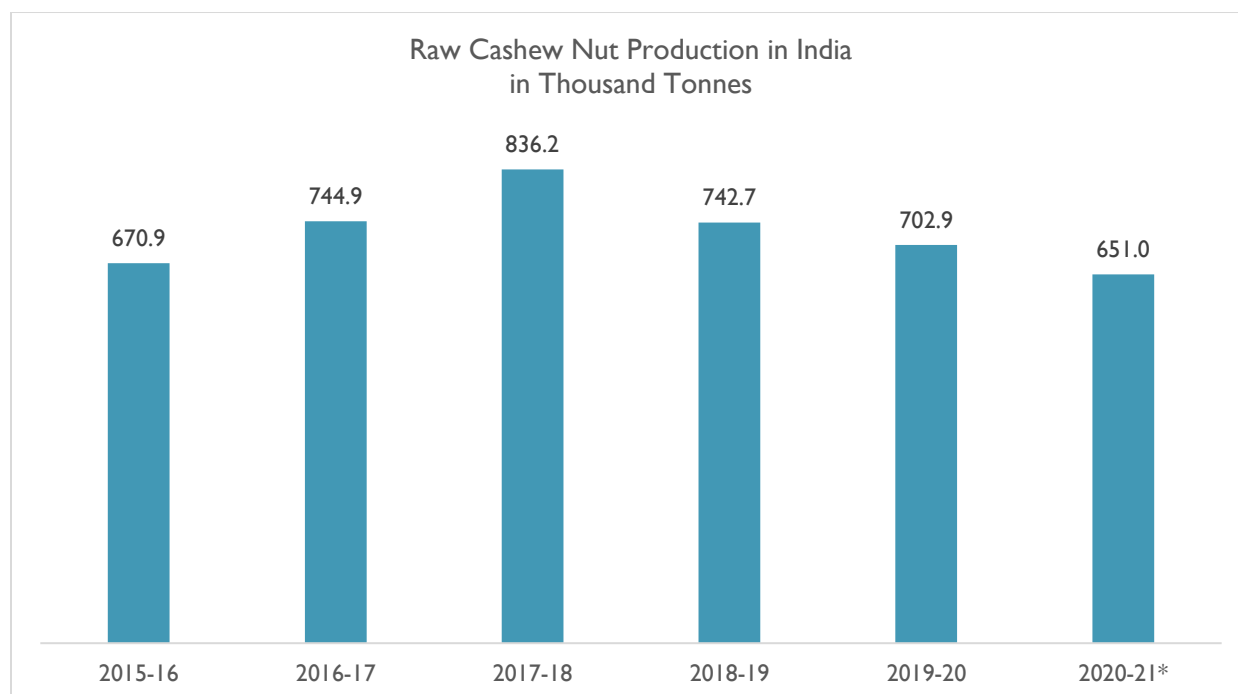
- Cashew kernels are further processed (secondary processing) to produce other cashew-based value-added products such as roasted, salted, and flavored with spices, sugar, cheese, herbs, honey, etc. to satiate the tastebud of different consumers. Cashew powder, cashew paste, cashew butter, cashew drink, are other value-added products. Cashews is also distilled to produce alcoholic drink (Fenny), cashew wine.
- The shells of cashew nut contain a high-quality oil known as cashew nutshell liquid (CNSL), a byproduct which is widely used as an industrial material. Currently, there are more than 200 patents for its industrial application, in particular, its use in acid-resistant paints, varnishes, foundry resins, enamels, and as an insecticides and fungicides. CSNL content of the raw nut varies between 20 and 25 percent.
- Cashew apple is eaten fresh or mixed in fruit salad or a drink is prepared from the juice and is used in preparation of jam, jelly.

### **MARKET ANALYSIS**

#### **Raw Cashew Nut Production**

India is the second largest producer of raw cashew nut in the world, and it produced 703 thousand Metric tonnes in 2019-20. The country's annual cashew nut production (raw cashew nut) peaked 836 thousand Metric tonnes in 2017-

18 and it contract by 11% and 5% in the subsequent two year, respectively. The declining production was experienced due to low night temperature for a prolonged period that resulted in less fruit set and translated in less production for Raw Cashew Nut (RCN) in FY 2019, while in 2019-20, unseasonal rainfall and infestation by tea mosquito bug impacted the cashew output. RCN production thus grew at subdued CAGR of 1.2% between 2016-20. In 2020-21, the domestic production of cashew crop was estimated at 651 thousand tonnes, nearly 50 thousand tonnes less from the year ago level as lockdown during the peak harvesting season adversely impacted the crop production volume as well as quality. Moreover, some of crop in the Western region was impacted by the attack of tea mosquito bug and other pests while flowering was delayed, and many trees observed only one flowering cycle. Cyclone and other unfavorable weather conditions in 2019 too impacted cashew output.



Sources: DCCD, Dun & Bradstreet Estimates, \*2020-21 Data is estimated

At same time, global raw cashew production is estimated at 3.8 Mn tonnes. Consequently, India's share in global raw cashew production is estimated to be at 17%.

In India, cashew is cultivated in 17 states. Maharashtra, Andhra Pradesh, Odisha, Karnataka, Tamil Nadu, Kerala, and Goa are the major cashew producing states and it accounted for 25.8%, 16.4%, 15.7%, 10.0%, 10.0%, 9.9% and 3.8% share in total cashew nut production during 2019-20, respectively. The total area under cultivation for cashew production stood at 11.25 Lakhs hectares and observed 1.8% y-o-y growth in 2019-20. Nearly 75% of cashew area under cultivation is under private sector, confining mostly to small and marginal holding, contributing 80% of national production. Out of the total area, 33% of existing areas have crossed 40 years of life thus impacting the overall productivity or yield. DCCD under MIDH has undertaken area expansion and replanting senile plantations with high yielding varieties to increase the domestic RCN production. During 2019-20, an additional area of 19.7 thousand hectares was brought under the cashew cultivation with high yielding varieties while 2,752 Ha old and senile cashew plantations was replaced and replanted with high variety seed.

### State-wise RCN production

| State          | RCN Production<br>000MT | Area (000 HA) | Productivity<br>(Kg/Ha) | % share in<br>Production | % share<br>in Area |
|----------------|-------------------------|---------------|-------------------------|--------------------------|--------------------|
| Maharashtra    | 181.1                   | 191.45        | 982                     | 26%                      | 17%                |
| Andhra Pradesh | 115.4                   | 192.45        | 625                     | 16%                      | 17%                |
| Odisha         | 110.0                   | 213.96        | 595                     | 16%                      | 19%                |
| Karnataka      | 70.6                    | 132.43        | 565                     | 10%                      | 12%                |
| Tamil Nadu     | 70.1                    | 150.30        | 499                     | 10%                      | 13%                |
| Kerala         | 69.6                    | 98.82         | 762                     | 10%                      | 9%                 |
| Goa            | 27.0                    | 58.35         | 481                     | 4%                       | 5%                 |
| Chhattisgarh   | 19.4                    | 31.14         | 655                     | 3%                       | 3%                 |
| West Bengal    | 11.0                    | 11.36         | 965                     | 2%                       | 1%                 |
| Meghalaya      | 9.5                     | 8.78          | 1056                    | 1%                       | 1%                 |
| Gujarat        | 6.1                     | 8.75          | 789                     | 1%                       | 1%                 |
| Jharkhand      | 5.8                     | 15.58         | 346                     | 1%                       | 1%                 |
| Tripura        | 3.2                     | 4.25          | 729                     | 0%                       | 0%                 |
| Pondicherry    | 2.0                     | 5.00          | 221                     | 0%                       | 0%                 |
| Assam          | 1.1                     | 1.05          | 1011                    | 0%                       | 0%                 |
| Nagaland       | 0.5                     | 0.30          | 564                     | 0%                       | 0%                 |
| Manipur        | 0.3                     | 0.90          | 610                     | 0%                       | 0%                 |
| <b>Total</b>   | <b>702.9</b>            | <b>1124.9</b> | <b>665.0</b>            | <b>100</b>               | <b>100</b>         |

Below are major cashew producing clusters in major cashew producing state are given as under:

1. **Maharashtra** (Ratnagiri, Sindhudurg, Raigad, Kolhapur, Nashik etc.)
2. **Andhra Pradesh** (Srikakulam, East Godavari, West Godavari, Vixianagaram, Prakasam etc.)
3. **Odisha** (Koraput, Malkanpuri, Dhenkanal, Ganjam, Kordha etc.)
4. **Kerala** (Kannur, Kasaragod, Kozhikode, Malappuram, Palakkad etc.)
5. **Karnataka** (Dakshinkannad, Udupi, Belgaum, Uttar Kannad, Kolar etc.)

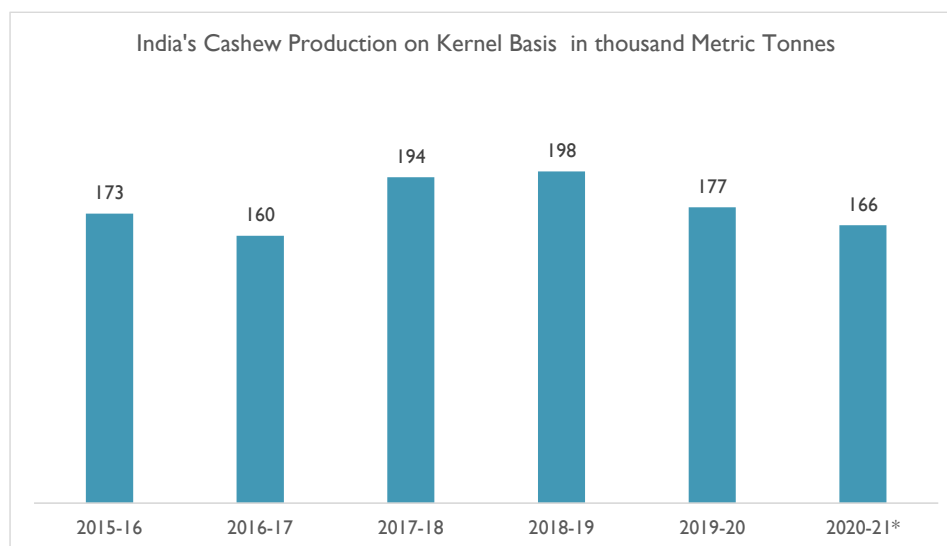
### Economic Importance of Indian Cashew Sector

- India is the second largest producer of raw cashew and exporter of cashew kernels in the world. India accounted for 15.1% share in global cashew production (2020) while its average share in global cashew kernels export stood at ~15% share (2015-19).
- India is also the largest cashew consumer and accounted for 32% share in global cashew consumption in 2019.
- Area under cashew attained 11.25 lakh ha in 2019-20
- Production of raw nuts reached 7.03 lakh MT.
- Export earning of cashew kernel reached INR 29.1 Bn in FY 2021
- The industry support employment for more than 1.5 million people in Cashew sector.
- 47 model Cashew Nurseries are functioning for planting material production.
- Thirty-seven high yielding varieties of cashew are available for adoption.
- Area with clones of high yielding varieties reached 3.92 lakh ha.
- Generation of clones reached 12 million per year.

### Indian Cashew Processing and Raw Material Supply Scenario

In terms of processing capabilities India stands second to Vietnam. According to the Directorate of Cashew and Cocoa Development India, as of March 2020, nearly 4000 processing factories are engaged in cashew sector with processing

capacity of 1.7 Mn metric tonnes raw cashew nuts both in organized and unorganized cashew segment. During 2020-21, India's cashew kernel production stood at 166 thousand tonnes, it observed a decline of 6% on y-o-y basis.



Sources: Nuts & Dried Fruits Statistical Yearbook, Dun & Bradstreet Estimate  
\*2020-21 data is estimated

Below industry statistic reveal, against the available capacity of nearly 1.7 Mn metric tonnes, India is estimated to have processed 1.46 Mn tonnes of raw cashew in 2020-21.

| Volume thousand tonnes                | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21* |
|---------------------------------------|---------|---------|---------|---------|---------|----------|
| <b>Domestic Raw Cashew Production</b> | 670.9   | 744.9   | 836.2   | 742.7   | 703.0   | 651.0    |
| <b>Imports</b>                        | 958.4   | 770.5   | 649.4   | 834.3   | 936.1   | 831.2    |
| <b>Export</b>                         | 7.0     | 9.8     | 5.5     | 11.4    | 16.3    | 19.8     |
| <b>Total Domestic Supply</b>          | 1622.34 | 1505.59 | 1479.98 | 1565.62 | 1622.80 | 1462.40  |

Sources: Dun & Bradstreet Research, \*2020-21 Data is Estimated.

The above statistic also highlights India's dependency on the import of raw cashew nut to support the domestic cashew processing and millions of livelihoods associated with the sector. The country's RCN imports accounted for average 54% share of the industry total domestic RCN supply which was used for the processing sector during the above period (above calculation excludes carryover stock). As per other recent estimates, India needs to take its cashew crop cultivation from the existing 7 lakh tonnes per annum to at least 12 lakh tonnes per annum in the next five years to become Atmanirbhar in cashew crop production. Moreover, Industry experts suggest, India needs to process at least 2 Mn metric tonnes of cashew annually to become a global processing hub for cashew. For comparison purpose, India in 2019 processed around 1.4 Mn metric tonnes of cashew in comparison to 1.9 Mn tonnes processed by Vietnam.

### Cashew Roadmap 2025

Projecting the increasing gap between domestic production and demand requirement of RCN based on historical growth rate number, CEPPI has suggested Cashew RoadMap 2025 to secure self-sufficiency in domestic supply. Area expansion and replanting old and senile trees with hybrid varieties along with improved pre harvest management method are major areas of focus to attain the above target. Based on following assumption, a 2025 Cashew roadmap

targets to increase the total raw cashew production to 21.42 lakh tonnes against the estimated demand 21.9 Lakh tonnes by 2025.

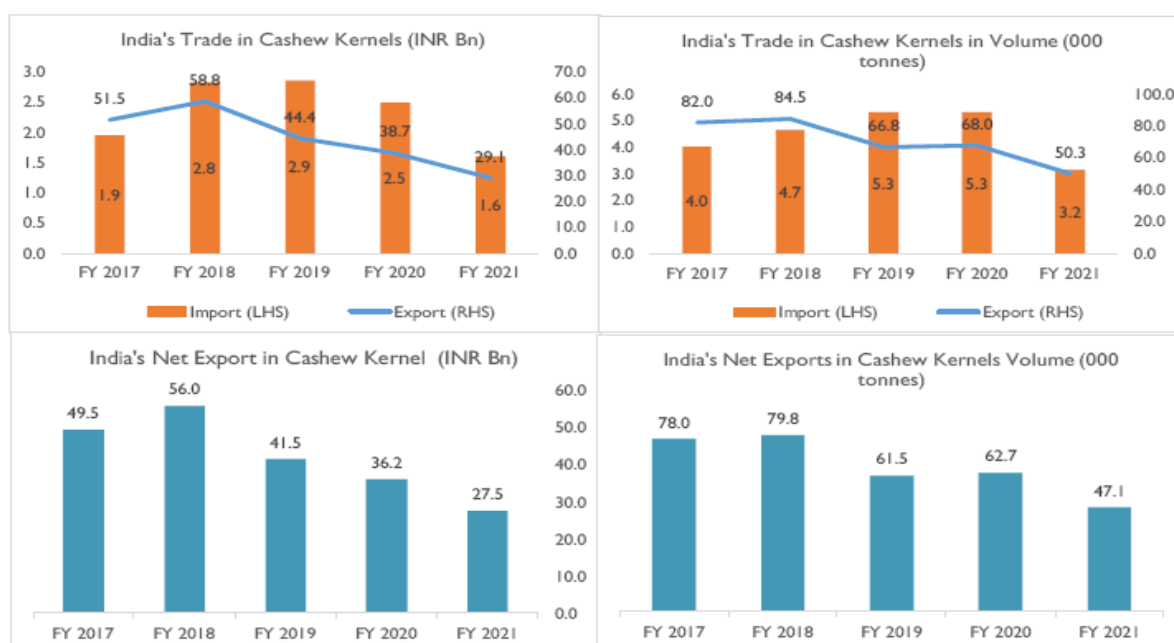
- 25% increase in area over the existing area of 10 Lakhs Hectares was projected from 2017 onwards in three phases. A total area expansion of 2,50,000 is planned to be achieved in three phases i.e., 75,000 Hectares in 2017, 85,000 Hectares in 2018 and 90,000 Hectares in 2019.
- Improved yield of 10kg/11.25 Kg /12.5 kg is taken as assumption for Third/Fourth /Fifth year onwards
- A replanting of 200000 hectare of land over a span of 4 years after the area expansion plan is executed. i.e., from 2020 to2023 with total 80% achievement level starting with 20% of 200000 from 2020 onwards was projection.

The above roadmap is planned to be implemented in major cashew producing states. Maharashtra, Kerala Andhra Pradesh, Tamil Nadu, Odisha, Jharkhand, Karnataka & Goa while the Cashew Export Promotion council along with other institutions/department such as the DCCD, the cashew Research centers across the country and The State Agricultural Department have been identified as implementing agencies. CEPCI estimates the above plan to translate in higher cashew nut yield in India from the current 650-700 kg per ha to over 3,000 kg per ha.

## FOREIGN TRADE

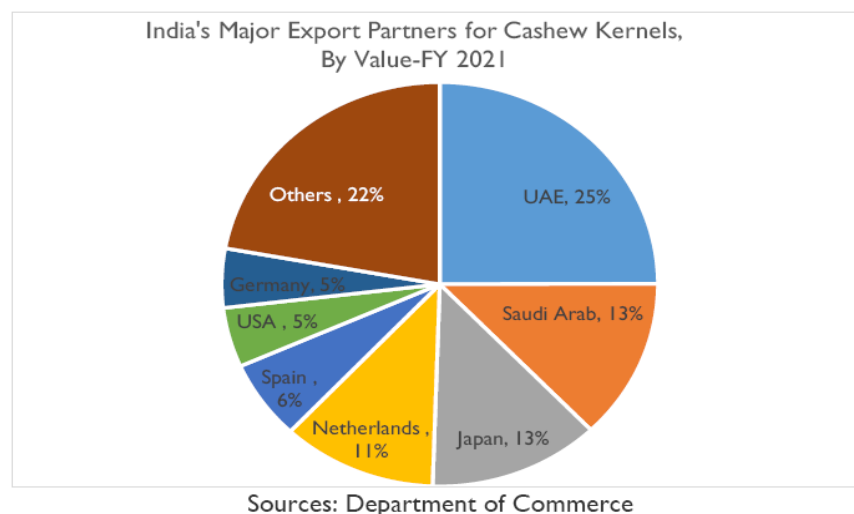
Cashew market in India is an export-oriented Industry. With average 15% share in the world export between 2015-19, India is the second largest exporter of cashew kernels in the world after Vietnam. The Indian cashew kernels are well applauded for its superior quality, taste, and appearance. India remained a net exporter of cashew kernel between FY 2017-21. Around 97% of Indian exports of cashew kernel are in plain form (average 2017-21 by volume) and in bulk packing while export of value added / consumer packs accounts for remaining 3% share.

India's annual export value and volume of cashew kernel reached INR 29.1Bn and 50.3 thousand tonnes in FY 2021, respectively. However, India's export of cashew kernel has been falling steadily over the last few years as Vietnam is aggressively expanding as major exporter of the commodity. The rate of contraction in India export earnings have been in the range of 12-25% between FY 2019-21. In FY 2021, the cashew nut kernel exports fell by 25% against 13% decline in FY 2020 while in volume terms, it fell by 26% as compared to 2% increase in the previous fiscal.



Sources: Department of Commerce, HS code 080132

Indian cashews are consumed in more than 90 countries of the world. In FY 2021, UAE, Saudi Arabia, Japan, Netherlands, Spain, and US remained India's major export market for cashew kernel exports.

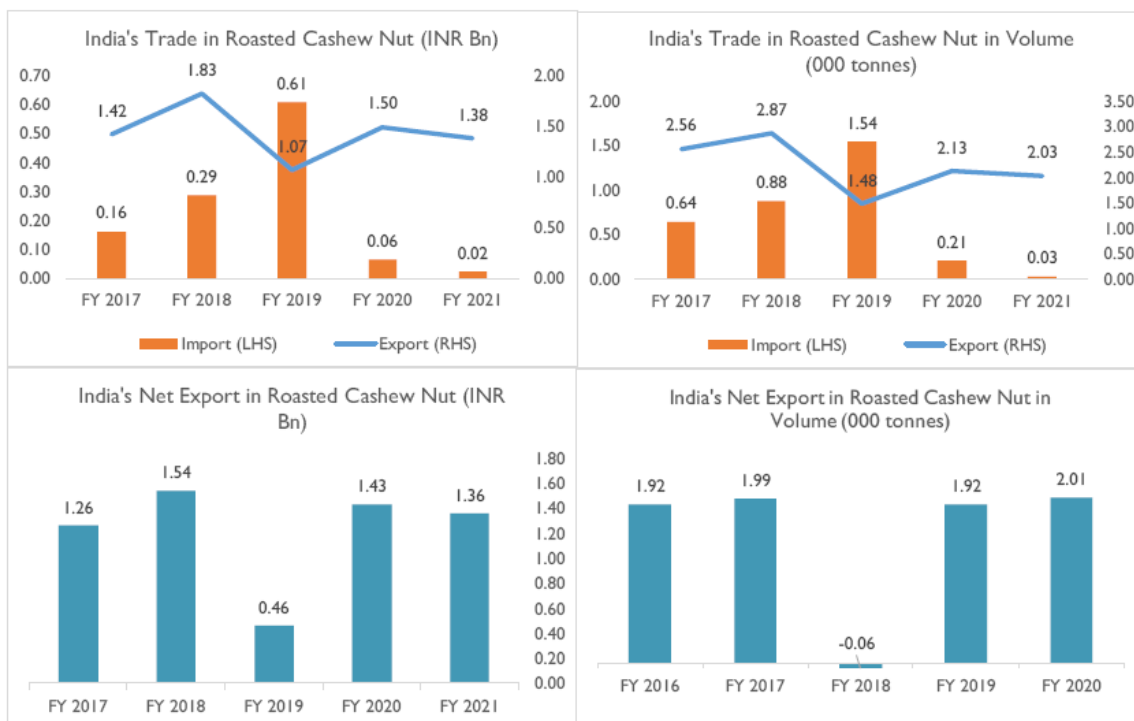


On import side, the country has miniscule import relative to export of cashew kernels. India's import of cashew kernel observed falling trend after touching the peak in FY 2019. During FY 2021, India's cashew kernel import fell by 36% in value term and 40% in volume terms against 13% decline in value and flat -0.1% decline in volume during the previous fiscal. Increase in import duty on cashew kernels from 45% to 70% in 2019 to restrict import and support domestic cashew industry resulted in reducing import. In FY 2021, high import duty along with Covid-19 induced depressed market demand impacted India's cashew kernel imports. Being the largest exporter of cashew kernel, Vietnam also emerged as India's single largest import partner for cashew kernel import. In FY 2021, the country accounted for 90% of total import value of India cashew kernel imports.

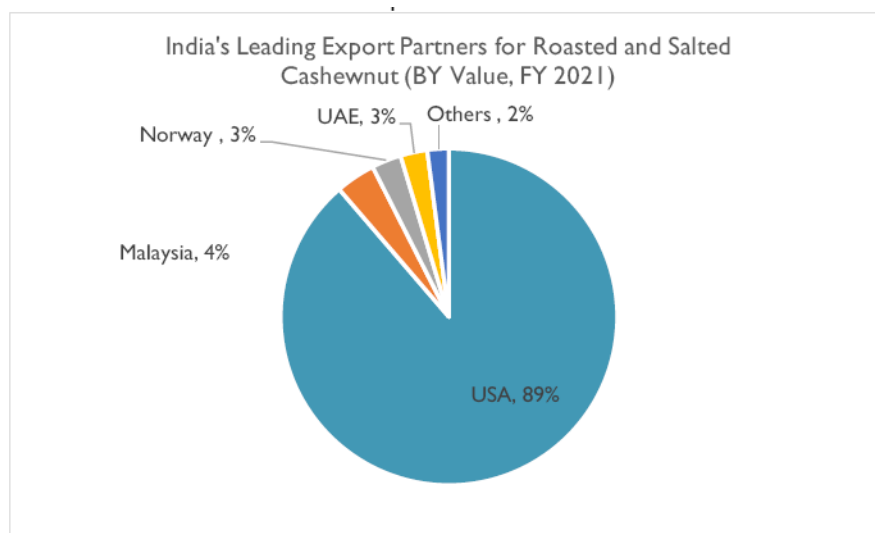
India's net export of cashew kernel by value and volume fell to INR 27.5 Bn and 47.1 thousand tonnes in FY 2021, declining at a CAGR of 14% and 12% between FY 2017-21, respectively.

### Trade in Roasted & Salted Cashews

India is also a net exporter of value-added cashew product i.e., roasted & salted cashew nut which have observed fluctuating trend between FY 2017-21. During FY 2021, India's export of cashew kernel and roasted & salted kernel declined by 8% on yearly basis against 40% y-o-y growth in the previous year while in volume terms same declined by 4% against 44% y-o-y growth in the previous year. Between FY 2017-21, the export of roasted and salted cashew from India has declined at 1% CAGR by value and -6% CAGR by volume. The USA remained India's single largest export destination in FY 2021 with 89% share in roasted and salted cashew nut export from the country.



Sources: Department of Commerce



Sources: Department of Commerce

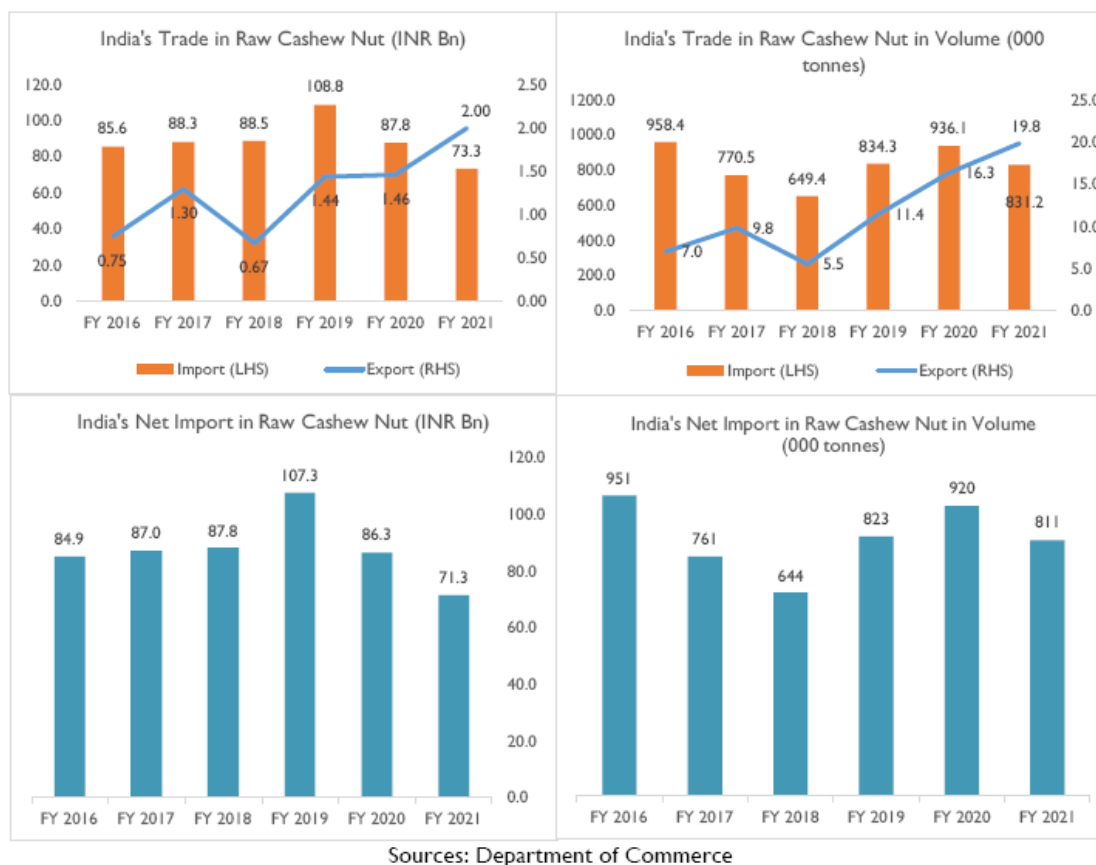
On import side, the country has miniscule import relative to export. After witnessing a steady growth in imports between FY 2017-19, India's import of roasted and salted cashew nut fell sharply in the subsequent two year due to the softening demand in the domestic market. Moreover, government announced hike in basic custom duty too from 30% to 45% in FY 2017 to keep a check on imports and support domestic players.

### India's Trade in Raw Cashew Nut

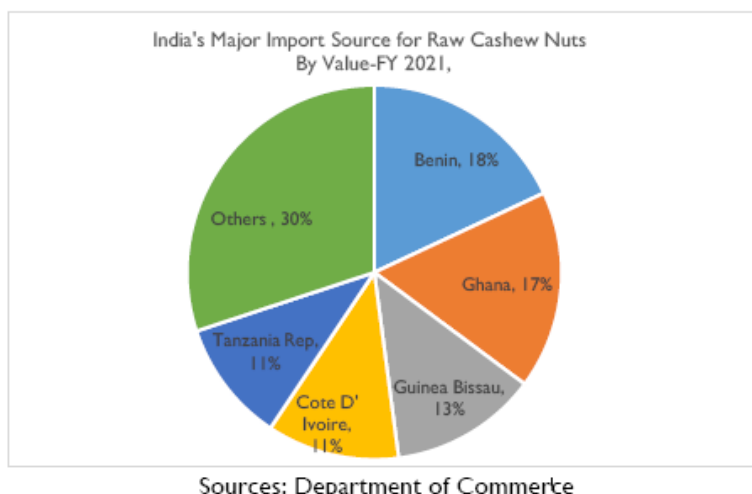
In the wake of low domestic production volume in comparison to domestic processing capacity of cashew nut, India cashew processing industry is heavily dependent on imports. The country imports nearly 54% of its Raw Cashew Nut requirement from other countries especially from West Africa. Globally, Vietnam and India are the two largest



importers of the raw cashew nut. As per International Nut and Dried Fruit Council, India accounted for 43% share in global Raw Cashew Nut import as compared to 52% share of Vietnam in 2019.



Between FY 2016-18, imports of Raw Cashew Nut in India fell sharply from 958 thousand tonnes to 649.4 thousand tonnes owing to imposition of 5% BCD in March 2016. Imposition of 5% BCD also coincided with steady rise in RCN prices to reach its peak at USD 1,800 per tonne in the international market primarily due to sharp growth of cashew processing industries in Vietnam. Meanwhile, RCN demand from domestic cashew processing units fell sharply as they faced heavy losses due to increasing cost and started defaulting on their bank loan. 2.5% reduction in BCD announced in February 2018 provided temporary support which resulted in growing import in the subsequent two years. But the domestic cashew processing units again confronted a difficult situation owing to subdued price realization of finished product during Covid pandemic times. As a result, input requirement and processing volume declined during FY 2021. In FY 2021, India's RCN fell by 11% by volume and 16% by value to reach 831.2 thousand tonnes and INR 73.3 Bn.

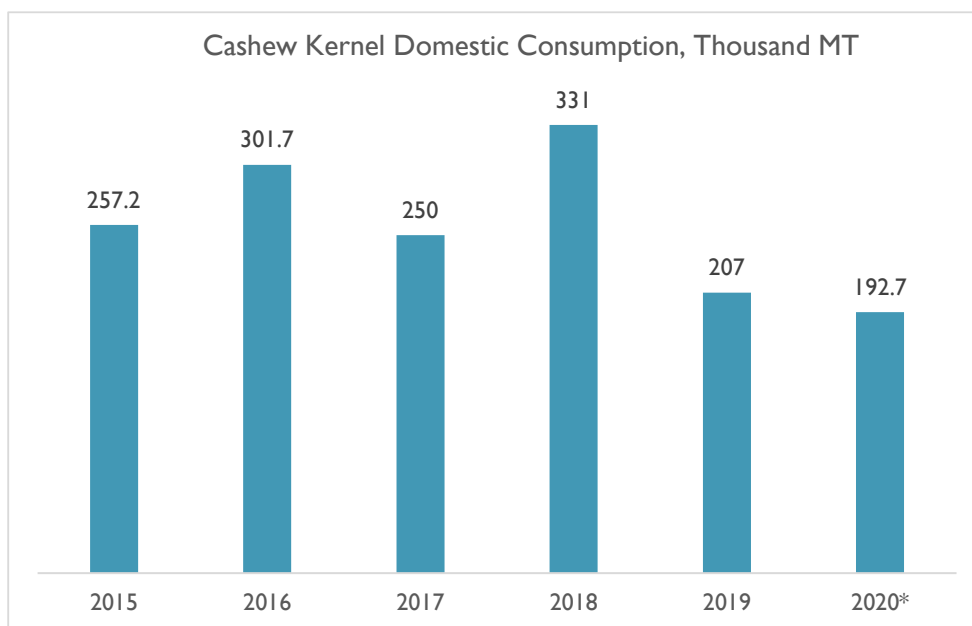


In FY 2021, Benin, Ghana, Guinea Bissau, Cote D' Ivoire, Tanzania Rep emerged as India key import partner for Raw Cashew Nut import. Together, these countries accounted for 70% share in India total import of Raw Cashew Nut.

Since, India is primarily an importer of Raw Cashew Nut its export is miniscule relative to import. But the country does have some exports in Raw Cashew Nut. In FY 2021, India's export of Raw Cashew Nut observed 37% y-o-y increase value terms against 1% increase in the previous year while in volume terms it was up by 22% against 43% y-o-y growth. Between FY 2018-21, India export of Raw Cashew Nut have observed steady growth and have increased at CAGR of 44% and 52% by value and volume respectively while between FY 2017-21 the CAGR stood at 11% and 19%, respectively. India's annual export earnings from Raw Cashew Nut stood as INR 2 Bn against the export volume of 19.8 thousand tonnes.

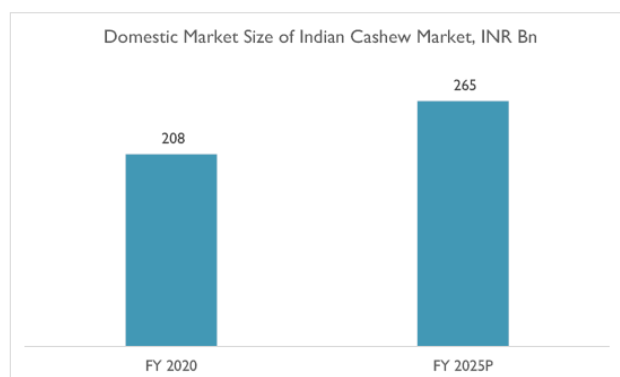
## DEMAND SCENARIO

On consumption side, India continued to be the largest consumer of cashew kernel globally with annual estimated consumption of 192.7 Thousand tonnes in 2020. The country's per capita cashew consumption stands at 0.15kg per year (2019) against the global average of 0.11 kg/year. As per INC number, the country's domestic consumption of cashew kernels has remained in the range of 207-329.4 thousand tons between 2015-19 while in 2020 it is estimated to decline by 7% on annual basis. Covid induced decline in demand in catering and unorganized sweets segment due to lockdown and strict containment measures is believed to have impacted in overall cashew kernel consumption in India.



Sources: International Nut & Dried Fruit Council, Dun & Bradstreet Estimates, \*2020 data is estimated

In FY 2020, the size of the Indian cashew market valued INR 207 Bn which is slated to reach INR 265 Bn by March 2025, registering 5% annual growth during the above period. The cashew kernels are widely used for direct consumption and are commercially procured by players in HOCERA segment, sweet preparation, confectionery product, and dessert. Simultaneously, the market for processed-valued added cashew products is expected to grow at relatively higher rate of ~9% as consumption of salted, and assorted cashew is increasingly finding place in Indian consumer basket. The country being second most populous country in the world, provide huge consumption base for many products including processed food products. Favorable demographics, rising urbanization, growing income, changing lifestyle, and growing hygiene awareness etc., amongst other has fueled the growth of confectionary products, sweet & salted items translating in the rising domestic consumption of Cashew. The cashew consumption in India is mostly for 'Broken' grades which is largely used as ingredients in food items, sweet preparation, amongst other and is used by the biscuit and the confectionary industry. Thus, domestic processor is thus equally focusing to tap the domestic market opportunity along with exports.



Sources: Dun & Bradstreet Desk Research, Industry Estimates,

## **GROWTH DRIVERS**

### **Access to Huge population base and Improvement in Affordability**

India is the second most populous country in the world, home to one sixth of world population. Urban population increased from 278 Mn to 373 Mn during the past decade (2001-11) and the proportion of urban population to total population increased from ~27.8% to ~31%. In the last decade, urbanization in India has increase at an average annual rate of about 2.4%. The share of urban population is further estimated to grow to about 35% of Indian population i.e., ~470 Mn by 2021 and later to 41.7% i.e., to 625 Mn by 2030 where 5 state in India namely Tamil Nadu, Gujarat, Maharashtra, Karnataka, and Punjab will have more than 50% urbanization. Also, the number of metropolitan cities in India is projected to increase from 46 in 2011 to 68 by 2030. Increase in urbanization is directly related to the rise in service sector and the jobs created resultantly. Rapid urbanization and better employment have resulted in increasing per capita private consumption expenditure. Consequently, this growth in income has strengthened the demand for various premium nuts including cashews.

### **Increasing Urbanization- Lifestyle and Aspirations**

Changing lifestyle, new food habits prevalent in the country are witnessing a shift because of urbanization and demographic changes. Increase in disposable income on this population mix because of better access to jobs has helped in increasing the affordability of processed frozen foods products. A youth centric population tends to prefer value added processed food over unprocessed food due to increased product and health awareness.

### **Rise in disposable incomes & Increasing spending on food products**

India's per capita income has grown steadily, leading to an increase in disposable incomes. Rising income growth has supported the increased spending on food products. On average, Indians spend 31 % in their general earnings on groceries and food items.

### **Changing dietary habit towards healthier food option:**

Cashew due to its nutritional benefit has gained much popularity as a part of healthy dietary habits amongst consumer and is also considered as a healthy gifting option on festive and on other several occasion. Moreover, the demand for organically grown nuts is observing a growing demand amongst consumer ranging from middle to high income group. This has stimulated the processors to source their raw cashews from organic farms.

### **Increasing demand for packaged food**

The packaged snacks item has got a major boost during Covid-19 Pandemic time where industry registered a healthy double-digit growth as consumers stockpiled on essential goods during the lockdown and due to hygiene and safety issues. During pandemic, the definition of essential food items has changed from basic food to snacking and munching items. As large section of population is working from home and with growing health awareness, demand for tasty at same time healthy munching snacks item has increased. Moreover, with even more emphasis on hygiene, consumers are preferring packaged food which with minimum human handling offer safe treat to consumer. Growing demand for the packaged food is expected push the share of organized players in cashew processing business.

### **Aggressive promotion by FMCG Companies**

Huge advertising efforts and promotional activity by way of product sampling, price promotion has been adopted by processed food companies to entice the consumer. This has led to the steady growth of the processed food products. Further, to cater to the low-income consumers, major food processing companies introduced lower priced small sized packs. Most of value-added cashew snacks product are packed in size of 100-300 Gram, 301-500 Gram, 500 Gram while cashew kernel is packed starting from 100-1kg for retail customer. This helped increase the product reach

particularly among consumers in small cities where the affordability is relatively low. This strategic initiative by the players in the segment fueled the growth of the sector.

### **Growth of Organized Retail and Private Label Penetration**

Current generation have better access to processed foods when compared with the previous generations due to better distribution reach. In urban areas, the spread of organized retail format stores has helped in increasing the distribution increasing penetration levels of organized food retail outlets are offering a wide range of options to consumers. Organized retail outlets allow consumers an access to a diversified range of products coupled with attractive discounts. Growth in organized retail have translated into an increase in better display cabinets throughout India which has benefitted the packaged food item including processed cashew. Organized retail expansion in tier two and tier three cities are expected to push the demand growth further. In rural areas too, realizing the increasing income levels, companies have increased their investments in setting up large distribution networks, thereby assuring better accessibility to processed foods in rural areas.

However, Coronavirus (COVID-19) outbreak observed significant impact on point-of-sale channel. Triggered by the compulsory lockdown, when supermarket/hypermarket operations remain suspended during covid pandemic, local shops and online shopping have gained importance. Consumers in order to avoid the risk of getting infected have shifted away from shopping centers and resorted to e-commerce channel or resorted to local kinara shop for daily groceries need.

### **MAJOR CHALLENGE**

#### **Shortage of the Raw Cashew Supply**

Currently, India is largely dependent on import of RCN to fulfill the demand requirement of domestic cashew processing sector. Going forward, as per CEPCI Roadmap for 2025, the country's projected domestic production of raw cashew is estimated to grow to 8.89 Mn Metric tonnes against the demand of 21.9 Mn metric Tonnes leaving a gap of 13.01 Mn Tonnes by 2025. This consumption growth is based on analysis over the last two decades (1995-2015) which reveals the country's RCN demand for processing has increased at a relatively higher rate of 5.3% against 3.1% growth registered by the domestic production. This estimated shortage of 13.01 Mn Tonnes by 2025 need to be addressed either by imports and/or enhanced domestic production. Moreover, the leading supplier of raw cashew nut to India are enhancing their in-house processing facility which will raise raw cashew demand in competing country. This is likely to affect its availability in domestic market and viability of domestic cashew processing industry. Thus, to attaining self-sufficiency in domestic raw cashew nut productions, DCCD has initiated various schemes, activities, and training programmes working towards expansion of area under cashew cultivation as well as improvement on productivity. However, even after best effort, benefit of above is not reaching farmers across India due to lack of resources. To avail the potentials of above efforts, industry consultant view setting up of regional cashew boards through which apex institution could expand its reach in remote areas.

#### **Disruption in Global supply, Fluctuation in Input Cost, and lower realization for cashew kernel**

Since India is an importer of RCN, any disruption in global supply has direct impact on domestic procurement and profitability of cashew processing sector. Domestic cashew processing business may face challenges on account of a rising input cost or lower realization of cashew kernel -a situation which domestic processing units have experienced on multiple occasions earlier.

During 2020, the value addition activities in India was severely affected due to demand disruption during Q2 and Q3 on account of Covid and subsequent lockdown. Slowing demand of broken grades continued to remain a challenge for major producing countries due to fall in consumption in two major end using segment- HORECA and un-organized snacks and sweets. As a result, kernel prices dropped to 5-6 years low in India in 2020.

On input supply side, RCN prices fell to 5-6 years low in 2020 amidst weak demand. RCN prices were almost 50% during (April/May-2020) from the level of Rs 100-130 per Kg during January 2020 as domestic processing units were not fully operational due to Covid-19 and processing volumes saw reduction. Although it recovered slightly by 30% during the end of 2020 but again fell sharply to settled at around Rs 50-80 per kg during July 2021. The sharp reduction in raw cashew nut is having an adverse impact on the cashew farming community. Thus, domestic cashew crop farmers are continuously urging for Minimum Support Price of 150 per Kg to sustenance.

In past, raw cashew nut prices have doubled from INR 45-50 per kg to INR102 per kg between 2007-08 to 2014-15. Rising RCN prices increases the input procurement cost while falling prices of processed cashew kernel impacts the top line number, thereby adversely affecting the financial viability of the processing unit.

### **Smooth Availability of Raw Cashew Nut in Domestic Market**

As India is dependent on import for input supplies, there exists significant risk to smooth movement of RCN amidst unanticipated and rarest event like Covid-19. Pandemic outbreak resulted in subsequent lockdown across many countries and had a disrupting impact on supply chain translating in rising logistic cost which added additional concern for domestic cashew processing units. Moreover, the leading supplier of raw cashewnut to India are also enhancing their processing facility which may translated in rising internal consumption of RCN in their native land and may risk smooth availability of RCN to India in future.

### **Custom Duty on Raw Cashew Nut**

As seen in past, basic customs duty @ 5% was imposed with effect from 1st March 2016 which adversely affected raw cashew availability for domestic processing industry. As a result, around 80% of the cashew processing companies saw closure between 2016-2018 which also impacted the export performance of the domestic cashew processing units. India's exports of cashew kernel observed 15% decline during FY 2017, falling from 96.1 thousand tonnes in FY 2016 to 82 thousand tonnes in FY 2017. Addressing the concern of domestic cashew processing unit, the center announced reduction in basic custom duty from 5% to 2.5% in interim Union Budget 2019-20 during July 2019. Domestic processing units are further seeking exemption of BCD on raw cashew nut amidst fluctuation global cashew prices and depreciating rupee value in the past few years that has contributed to high cost of operation.

### **High Cost of Production**

As per industry sources, the cost of production in India is almost double than the cost of production in Vietnam due to higher cost of labor, inadequate export incentive and low automation level in domestic cashew processing sector. This has impacted the financial viability of many domestic processing units in India and resulted in accumulating losses and default on bank loans. Meanwhile, taking an advantage of existing price un-competitiveness in India, competitors primarily Vietnam has aggressively expanded its penetration in the global cashew market.

### **High Input-Output Ratio norm**

Although, the government revised SION for export of Cashew Kernel from imported RCN to 1 kg kernel from 5.04 kg of RCN as against earlier norms of 1 kg kernel from 4 kg under Advance Authorization Scheme in July 2017 but the revised ratio is still higher than the required ratio of 1:6 (as per Mission 2020 document by CEPCI)

### **Competition from other producing countries**

India is increasingly facing tough competition from Vietnam in cashew processing segment. Since 2017, the country has emerged as largest processing hub accounting for nearly 50% share in global processed cashew nuts. In 2006, the country surpassed India to become the world largest exporter of cashew kernel. The country is steadily gaining ground in the US market- the world largest importer and India's leading export destination for cashew kernel. Between FY

2017-21, India's cashew kernel export to US market has steadily declined from 17,400 Metric Tonnes to 2447.76 Metric Tonnes, declining at 39% CAGR. During the above period US share in India cashew kernel export has decline from 19% to 3%. In contrast, US cashew kernel imports have been steadily growing and it observed nearly 3% CAGR growth between 2014-19. In 2019, US received 86% of the cashew kernels from Vietnam.

### **Stringent factories & labour laws**

Over the years, India has laid down stringent factory and labour laws. Since, majority of cashew processing units fall in SME and in cottage sector, they find it difficult to comply with stringent wage laws, fire safety requirements, effluent treatment etc.

### **Misuse on Imports of Cashew Kernels**

In past, the domestic cashew industry has observed a surge in import of plain cashew kernels (between FY 2017-19) into the country which are mis-declared as roasted cashew as it attracts zero duty under various Free Trade Agreements. At times, while importing cashew kernels for re-export, broken cashews are mis-declared as wholes and sold in the domestic market for a premium. In addition to above, broken cashew is regularly imported by mixing them with cashew husk which is declared as husk. Such manipulation in product declaration adversely impacts the genuine processors or exporters operating in the industry.

In addition to above, working capital shortage, penalty for late clearance of cargo, occasional denial of LDC benefits for traded goods and high export incentive along with funding support from international agencies in competing cashew planting countries are other major challenges that directly impacts overall domestic cashew industry.

### **Competitive Scenario**

Cashew nut needs to be processed before selling to ultimate consumers. Therefore, cashew processing units play an important role. The processing units are mainly concentrated in the states of Kerala, Tamil Nadu, Karnataka, Goa, Andhra Pradesh, Maharashtra, and Orissa. Currently, nearly 4000 processing factories are engaged in cashew sector with processing capacity of 17 Lakh metric tonnes raw cashew nut both in organized and unorganized cashew segment. The cashew processing is a highly labor-intensive activity and employ nearly 1.5 million people with workforce primarily comprise of women. The processing unit procure raw cashew either from the farmers in domestic market or import it. Few of the large domestic players in organized segment have also purchased cashew cultivation plant in west African region to secure supply for processing business.

### **State-wise share of processing units and installed capacity**

| State                | Processing Units (Nos) | Share of processing units (%) | of Installed capacity (000 MT) | Share of installed capacity (%) | Average installed capacity |
|----------------------|------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------------|
| Maharashtra          | 2200                   | 55.8%                         | 50                             | 3%                              | 0                          |
| Kerala               | 432                    | 11%                           | 600                            | 36.5%                           | 1.4                        |
| Tamil Nadu           | 417                    | 10.6%                         | 400                            | 24.3%                           | 1                          |
| Odisha               | 350                    | 8.9%                          | 120                            | 7.3%                            | 0.3                        |
| Karnataka            | 266                    | 6.8%                          | 300                            | 18.3%                           | 1.1                        |
| Andhra Pradesh       | 175                    | 4.4%                          | 100                            | 6.1%                            | 0.6                        |
| Goa                  | 45                     | 1.1%                          | 50                             | 3%                              | 1.1                        |
| West Bengal          | 30                     | 0.8%                          | 8                              | 0.5%                            | 0.3                        |
| North Eastern States | 22                     | 0.6%                          | 10                             | 0.6%                            | 0.5                        |
| Chhattisgarh         | 3                      | 0.1%                          | 5                              | 0.3%                            | 1.7                        |
| <b>Total</b>         | <b>3940</b>            | <b>100%</b>                   | <b>1643</b>                    | <b>100</b>                      | <b>0.4</b>                 |

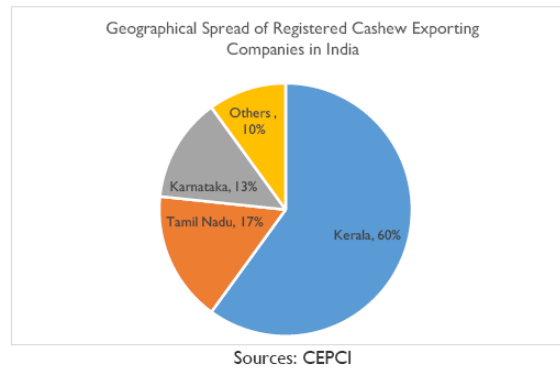
Sources: Small Farmers' Agri-Business Consortium (SFAC) India, \* Indicative list

The manufacturers in cashew processing in the organized segment largely compete in terms of quality, taste of a product. Cashew processing units are also experimenting with several flavors such as salted, spiced with red chilli, black pepper, cheese coated cashew nuts, amongst other as strategy to enter in the packaged snack market segment.

While efforts are also made by the manufacturers to adopt attractive and innovative packaging style as it too influences the buying decision Indian consumer to great extent. Currently, the processed cashew products in retail market are available in various packaging material. These are widely sold in a sealed vacuum packages with zip-locks, in glass bottles, in tins, and in regular packages. Major Key players operating in organized value-added cashew product in Indian cashew markets are Kalbavi Cashews, Sunorganic Industries Pvt. Ltd (brand Wonderland Foods), Britannia Industries Limited and Haldirams, amongst other. Multiple other processing companies are engaged in secondary processing of cashew-based product in unorganized segment and have launched their own private label to tap the growing demand. Leading players in organized segment have launched nutritional product range to tap the growing opportunity for healthy snacks which is likely to have a positive impact on cashew demand from value added product segment.

Currently, there are nearly 180 exporters registered with Cashew Export Promotion Council of India and engaged in export cashew kernel and allied cashew products to countries across the world.





### Covid Impact on Cashew Processing Units

The immediate impact of Covid pandemic on the cashew processing industry was the disruption in both demand and supply. Both consumption and supply experienced a massive setback due to COVID-19 pandemic as evident from industry statistic covered in the previous section. Spread of the pandemic has forced Governments across the world into forced quarantine, which also included closure of factories, industries, centers of economic activities and suspension of passenger transports. In the case of cashew, there is a huge concentration of cashew production happening in West and East African Countries with India importing close to 55-60% of RCN from West African countries. All these countries enforced a lockdown, leading to a sudden disruption of RCN supply in domestic market with declining inventory level available with processing units for production. A good amount of stock got stuck at various processing stage due to sudden lockdown. As per industry sources, almost 2000 individual who visited African countries to purchase raw cashew prior to the lockdown got stuck in those countries due to initial lockdown. Consequently, regular business operation of cashew processing unit was severely affected. Nearly 90% of the processing facility in Kerala which account for majority share in cashew processing (nearly 55%) remained shut. Consequently, India's cashew processing volume level fell sharply during H1 2020 which also impacted India's overall export of cashew kernel in FY 2021.

Later, domestic processing units outside the limits of municipal corporations and municipalities were allowed to operate after April 20, 2020 and the subsequent relaxation helped the units to resume operation gradually.

On the demand side, the closure of HORECA, shopping malls, sweet shop both in organized and unorganized, together with forced lockdown led to a disruption in demand and had a consequent impact on falling cashew demand. Moreover, cashew export too felt the heat of pandemic and fell sharply in FY 2021 as domestic processing business was severely affected. As per the estimates of Cashew Industry Protection Council, Kerala, India lost nearly INR 40-50 Bn business during the initial two months of lockdown while nearly 400 processing units in Kerala faced shutdown since lockdown (until Nov 2020) which left thousands of skilled laborer's jobless and operating units in deep financial crises.

## SWOT of Indian Cashew Processing Sector

|  |  |
|--|--|
| <b>Strength:</b> <ul style="list-style-type: none"> <li>• Strong presence and long experience in the international cashew market</li> <li>• India is leading producer of raw nuts.</li> <li>• Second largest exporter and processor of cashew nuts</li> <li>• India has huge access to captive domestic market vis-à-vis Vietnam and is high potential market for Broken cashew Nuts</li> <li>• Good availability of skilled worker</li> <li>• Diversified production base.</li> </ul>   | <b>Weakness:</b> <ul style="list-style-type: none"> <li>• Strong dependency on Import for input (RCN) procurement for supporting processing business.</li> <li>• Low productivity due to sustaining inadequacies in domestic cashew plantation sector.</li> <li>• Lack of level playing field against global competitors.</li> <li>• Low level of mechanization. Large number of units operate as SMEs and cottage business are part of unorganized segment.</li> <li>• High processing costs</li> <li>• Low share of secondary processing in value chain.</li> </ul>  |
| <b>Threat</b> <ul style="list-style-type: none"> <li>• India's being largest consumer and export, any disruption in domestic demand and export and has direct bearing on financial health of domestic cashew processing industry.</li> <li>• Highly subsidized production inputs and external funding in competing countries cashew plantation countries</li> <li>• Fluctuations in global supply and raw material prices</li> <li>• Cashew crop growing countries entering cashew processing segment. Low RCN cost and processing cost in crop producing country is likely to have significant bearing on Indian cashew processing sector.</li> <li>• China is the captive and growing market for Vietnam. The country imports almost entire cashew kernel from Vietnam.</li> <li>• Imposition of stringent quality standards by major importing countries</li> <li>• Value added cashew product compete with several other processed value-added product in snacks sector which are relatively cheaper.</li> </ul> | <b>Opportunities:</b> <ul style="list-style-type: none"> <li>• Growing global demand for cashew.</li> <li>• Healthy lifestyle, transforming dietary habit combine with growing awareness on cashew nutrition value to enhance cashew consumption further.</li> <li>• Growing demand for various value-added product specifically organic based product which yield premium prices, provide opportunity to domestic processing units to penetrate this segment.</li> <li>• Promote India Cashew Brand in International market.</li> <li>• Recent policy push to strengthen Infrastructural facilities to become self-reliant under Atma Nirbhar Bharat. Various measure such as PLI, PM-FME to benefit domestic processing units and enhance the share of value-added products in overall cashew processing segment.</li> <li>• Key Importing nation such as the US and EU are setting out additional food safety standards on cashew kernels from Vietnam and it may benefit cashew export from India</li> <li>• Hike in import duty on cashew kernel is expected to benefit domestic processing units.</li> <li>• Land availability to expand cashew cultivation</li> </ul> |

### Government Scheme to Strengthen Domestic Raw Cashew Nut Production:

Department of Agriculture, Cooperation and Farmers Welfare (DAC&FW) has approved the roadmap programme of DCCD to expand the area of cashew cultivation by 1.20 lakh hectare. To boost the domestic production of cashew, the developmental activities are being augmented in all the traditional and non-traditional states while Cashew is covered under various centrally sponsored programmes such as Mission for Integrated Development of Horticulture (MIDH) and Remunerative Approach for Agriculture and Allied sector Rejuvenation. Various development measure such as area expansion, replanting, rejuvenation, use of high yield variety, training programmes, financial assistance is provided to boost domestic production. Though the country still depends on the RCN imports but above scheme has yielded encouraging result in the past. As per DCCD data, the area under cashew cultivation has increased from 7.99 lakh ha to 11.25 lakh ha while the cashew production has increased from 5.44 lakh metric tonnes to 7.03 lakh metric tonnes between 2004-05 to 2019-20.

### **The Cashew Export Promotion Council of India (CEPCI)**

The Government of India established The Cashew Export Promotion Council of India (CEPCI) on 17th August 1955 that work to promote exports of cashew kernels and allied cashew products. The council serves as an intermediary between foreign importer and domestic exporters for its member. It disseminates market information and trade related data to its members and encourage free participation services in the council's stall at international trade event. It also provides support to processors and cashew exporters in India for improving infrastructure. Beside above, the Council amicably resolves any disputes on export/import arising due to quality standards and breach of contractual obligations and works to promote Indian Cashew brand in global market.

#### **2025 Target**

- To regain the prime position as the world's largest exporter of Cashew kernels.
- Enhance the share of value addition to 10% in our total exports.
- To achieve self-sufficiency in raw cashew nut production by producing 20.00 lakh Mt.

### **The Food Safety and Standards Authority of India (FSSAI) standard applicable for cashew product**

The Food Safety and Standards Authority of India (FSSAI) established under Food Safety and Standards Act, 2006 govern by Ministry of Family Health & Welfare government regulates the sale of food items in India to ensure its safe and hygiene. The institution performs quality checks to ensure the stringent safety guidelines being followed are being followed by the food business. Cashew being a part of broader food industry are covered under FSSAI standard. FSSAI has specified certain standard for cashew processing with respect to moisture content, acid-insoluble ash, defect tolerances, free fatty acid, and peroxide value. To ensure the quality of the cashew kernels. As per FSSAI directive released on 27<sup>th</sup> October 2017, Raw cashew imports are exempted from FSSAI clearance as raw cashewnut is a not an edible item and require processing.

#### **Major Initiatives**

Loan to food and agro based processing units & cold chains has been classified under agriculture activities for priority sector lending. This has helped FPI sector to receive funding at concessional rate.

FDI in Food Processing Sector: Government has permitted up to 100% FDI under automatic route in all processed food segment except for items reserved for Micro and Small Enterprises (MSEs). For manufacture of items reserved for MSEs, FDI is permissible under automatic route up to 24% of the capital. Automatic Government approval is also provided for projects which involve technology transfer to the local partner.

The government has also allowed 100% FDI in food trade including e-commerce of the food produced and manufactured in India.

The Ministry of Food Processing Industries has set up autonomous institutions such as National institute of Food Technology, Entrepreneurship and Management (NIFTEM) and Indian Institute of Food Processing Technology (IIFPT) to support research and development projects in the Food Processing industry.

**Dedicated NBFC for FPI:** The government plans to set up Financial Institution which will exclusively fund food processing projects. The proposed NBFC will have 20% stake owned by government while 80% stake will be owned by private sector. The institution will have a budget of INR 20 Bn for two years.

#### **Make in India Scheme**

The food processing sector was recognized as one of the 25 concentrated areas under the Government flagship Make in India Scheme. Therefore, the policy, ecosystem has been refurbished to draw financial, technological, and human resources into the zone. Allowing 100% FDI via automatic route into this sector is also an important footstep in this direction.

### **PM Formalization of Micro Food Processing Enterprises (PM-FME) Scheme**

The PM-FME scheme was launched on 29<sup>th</sup> June 2020 as a part of the Atmanirbhar Bharat Abhiyan and the “Vocal for Local” campaign. PM-FME is a centrally funded sector scheme with an aim to provide financial, technical, and business support to micro food processing units in the country. The total outlay of the scheme is USD 1.3 Bn spread over a span of 5 years from 2020-21 to 2024-25.

### **Production Linked Incentive (PLI) Scheme**

In November 2020, The Union government has launched the Production-Linked Incentive (PLI) Scheme in the 10 key sectors including food processing industries for Enhancing India’s Manufacturing Capabilities and Enhancing Exports under the “Atmanirbhar Bharat” programme. The Approved financial outlay for five years period for MOFPI is INR109 Bn.

The funding under the scheme will be shared by the Centre and State governments in the following ratios:

- For States and UTs with legislature: 60% by Centre and 40% by State/ UT
- Himalayan and North Eastern States: 90% by Centre and 10% by State
- UTs without legislature: 100% by the Centre

### **Technology Upgradation Scheme**

Under this Scheme, Ministry extended financial assistance for setting up of food processing units, in the form of grants-in-aid to the implementing agencies/ entrepreneurs at 25% of the cost of plant & machinery and technical civil works subject to maximum of INR 5 Mn in general areas and 33.33% up to a maximum of INR 7.5 Mn in difficult areas.

Other development initiatives include:

- Promotion of cluster-based development of agriculture commodities.
- 100% income tax deduction to Food Processing Organizations (FPO’s) having an annual turnover of INR 1.1 Bn derived from post-harvest value addition activities.
- To strengthen quality benchmarks, there will be setting up of state of art testing facilities in all 42 Mega Food Parks.

### **GST Rates**

As per the latest revision in the GST rates, of all food categories taken together under different chapter heads/subheads, 36% of the food items have been exempted from GST (0%) and 37% of the food items shall attract GST of 5%. Hence, almost 73% of the food items are under lowest tax slab of 0% or 5%. Goods and Service Tax (GST) on cashew nut has been reduced to 5% from 12%.

### **Applicable Duty Structures**

- To support the domestic cashew industry, basic custom duty (BCD) on import duty on raw cashew nut was reduced from 5% to 2.5% w.e.f. 1<sup>st</sup> February 2018. Earlier, the government imposed 5% BCD with effect from 1<sup>st</sup> March 2016 which badly affected the availability of raw material for processing and their sustenance. The cashew

processing units are further seeking withdrawal of 2.5% BCD on RCN to support to reduce their cost of operation. Currently, duty free import of raw cashew nuts is allowed only under Duty Free Tariff Preference (DFTP) Scheme from Least Developed Countries (LDCs).

- In July 2019 (interim budget 2019-20), the government hiked import duty on cashew kernels to 70% from the 45%. Also, the request to withdraw 2.5% import duty was not addressed.
- Roasted cashews attract zero duty under various Free Trade Agreements

#### **Recent Announcement**

Recently, the government of India suspended the Cashew Export Promotion Council's power to issue or renew Registration-Cum-Membership Certificate (RCMC) for cashew kernels, cashewnut shell liquid and kardanol on 14th June 2021 and has designated Agricultural and Processed Food Products Export Development Authority (APEDA) for the same with immediate effect. Following this, the exporters registered with CEPCI must get their RCMC endorsed by APEDA and procedure for the same has been published on APEDA website (Reference no: REG-2021-22-00008 Date: 30<sup>th</sup> June 2021). The board issue RCMC to cashew companies that help them to avail duty benefits under the foreign trade policy and help in export-related works

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Prospectus. An investment in the Equity Shares involves a high degree of risk. You should read “Forward Looking Statements” on page 13 of this Draft Prospectus for a discussion of the risks and uncertainties related to those statements and “Risk Factors”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 19, 144 and 184 respectively for a discussion of certain factors that may affect our business, financial condition or results of operations. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the 12 months ended March 31<sup>st</sup> of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Restated Financial Information for Fiscals 2019, 2020 and 2021 included in this Draft Prospectus. For further information, see “Restated Financial Information” beginning on page 144 of this Draft Prospectus. Unless the context otherwise requires, in this section, references to “we”, “us”, “our” or “Company” refer to Empyrean Cashews Limited.*

*Unless otherwise indicated, industry and market data included in this section has been derived from the business report titled “Impact Plus Profiler Report” dated December 14, 2021 prepared by Dun & Bradstreet Information Services India Private Limited. This section should be read in conjunction with the “Industry Overview” on page 75 of this Draft Prospectus.*

### OVERVIEW

Empyrean Cashews Limited commenced operations in 2014 under the name and style of the brand “Krishival Cashews”. Our Company was incorporated in 2014 and is engaged in processing raw cashew nuts into finished cashew kernels in different flavours, with a presence in more than 26 tier II and tier III towns and cities. We primarily cater to the domestic market with a network of more than thirty (30) distributors across India. We procure majority of our raw materials by way of import from certain African and Asian countries and also from the Konkan region of India. We focus on quality of our products to increase our presence across the country. As on date of this Draft Prospectus, our Company has one Subsidiary namely, Siddhivinayak Cashew Industries Private Limited.

In addition to processing raw cashews we are also engaged in the business of organic manure which is prepared by using by-products like husk and other biodegradable material left after processing of the raw cashews. Based on the audited restated financials for FY 2021, 93% of our revenue is derived from sale of cashews whilst remaining 7% is derived from sale of organic manure.

### Our Products

Our product portfolio include different flavours of cashews such as salted, pepper, chilli and assorted – all offered in different grades and packaging formats. The grades of the cashew kernels are based on the size of cashew nuts. Our Company has following grades available in 100 grams, 250 grams, 500 grams as well as 10 kilograms packings: (a) Premium grades such as W180, W210, P210, W240 and P240 (b). Other grades include W320, P320, W400, SSW, DW, RW, KW, JJH, JH, JK, LWP, SP, SWP, BB as well as flavoured cashew.

The products are processed under hygienic condition following the specific food grade standards recommended by the industry. The products are supplied to different channels which include distributors, supermarkets, retailers as well as wholesalers. Also, the products of our Company are sold over the counter to tourists and localites who visit our packaging unit.

The Company also supplies organic manure which is derived from husk and other biodegradable material left after the processing of raw cashews. The organic manure is used in agriculture to improve soil fertility and enhance crop productivity. Our organic manure is purchased by the local farmers at our processing unit itself.

The key raw material required for the Company is raw cashew nuts. It procures materials from both the domestic as well as international markets. In FY 2021, the Company procured around 70% of its raw material requirements from

the international markets such as Benin, Indonesia as well as Guinea-Bissau whereas balance was procured from the domestic market especially from the Konkan region. Majority of the total the import of raw material (71%) during the FY 2021 was done from Benin. Modi Co. Sarl, a sole proprietorship of one of our Promoters Nana Prakash Mhaske which is established in Benin, for ease of procurement of raw materials for the Company.

As per the Audited Restated Financial statements, our revenue from operations for the period ended October 31, 2021 and for the Financial year ended on March 31, 2021, 2020 and 2019 were ₹2,684.59 Lakhs, ₹2,813.14, ₹4,394.95 and ₹4,997.66 respectively. Our Profit after Tax for the same period was, ₹ 166.69 Lakhs, ₹ 66.74 lakh, ₹95.60 Lakhs and ₹ 64.95 Lakhs respectively.

For further information, see “*Financial Information*” and “*Other Financial Information*” on pages 144 and 173, respectively.

## Our Presence

|  |   |
|--|---|
| <b>Registered Office</b>                   | 1309, Lodha Supremus, Saki Vihar Road, opposite MTNL office, Powai, Mumbai – 400072 |
| <b>Factory 1 (Processing Unit) Address</b> | Village Halkarni, Taluka Chandgad, Dist. Kolhapur, Maharashtra – 416508             |
| <b>Factory 2 (Packaging Unit) Address</b>  | Village Shinoli, Taluka Chandgad, Dist. Kolhapur, Maharashtra – 416507              |
| <b>Warehouse Address</b>                   | Village Kudremani, Taluka Belgavi, Dist. Belgavi, Karnataka – 591128                |

## Our Competitive Strengths

We believe that the following are our primary competitive strengths:

- ***Quality Assurance***

Our Company is dedicated towards quality of our products, processes and input raw material. Our Company had been accredited with “ISO 9001:2015” Certification for Quality Management System for Processing and Sales of Dryfruits and “ISO 22000:2018” Certification for Food Safety Management System. We adhere to quality standards as prescribed by our customers; hence we get repetitive orders from our buyers. Delivering quality products on time is one of our prime objectives. We dedicate resources for quality assurance to ensure that quality norms are continually met. We also have quality control checks before accepting or booking any consignment of raw material since it has a direct impact on the quality of our finished products. We do regular quality control of our product from FSSAI notified National Accrediation Board for Testing and Calibration Laboratories (NABL).

- ***Strategically located manufacturing facilities with state of the art infrastructure and integrated processing and packaging facilities***

Our processing and packaging facilities are situated in Kolhapur District of Maharashtra. Being strategically located, we get easy access to labours having experience in cashew industry as well as it helps us in procuring local raw material supplies resulting in reduced the cost of transport, thereby giving us a competitive advantage. Our Plant has good connectivity to roads which facilitates easy transportation of raw material and finished goods. Due to aforesaid reasons, we believe that the location of our processing and packaging units brings cost efficiencies in procurement of manpower and raw material and reduces logistic cost which helps us to achieve economies of scale. Our processing unit, packaging unit and warehouse are located within a periphery of five (5) to ten (10) kilometres which reduces the time taken for the raw material from warehouse to processing unit and from there to packaging unit.

- ***Customers’ Satisfaction and their retention***

We believe that meeting customers’ specific requirements and delivery of orders is one of the factors for growth of our business. Our Company has made efforts to ensure customer satisfaction by taking steps for meeting customer specific requirements, timely delivery of orders to our customers as well as maintaining consistency in quality and

this has yielded results in the form of repeat orders from our customers. The repeat orders reflect the confidence reposed in us by our customers.

- ***Widespread distribution network and presence across various retail channels for timely delivery***

Our Company believes in maintain long terms relationships with our key customers by providing quality products as per their requirements and specifications. Our long-standing association with our customers are also built on our successful execution of prior orders. We believe our track record of timely delivery of quality products has helped in forging strong relationships with our customers.

- ***Experienced and professional senior management team***

We have a qualified and experienced management team empowered to take timely decision which makes the operations of our business smoother and ensures efficiency in all aspects of our operations. Our management and leadership team are drawn from the best in the industry. We believe that our senior management has pioneered our growth and fostered a culture of innovation, entrepreneurship and teamwork within our organization. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner.

## **Our Strategies**

### **1. Enhance customer base by entering new geographies and registration on e-commerce platforms/webistes to increase our reach**

We intend to cater to the increasing demand of our existing customers and to expand our customer base by enhancing the distribution networks to take our products in different parts of the country. Our Company has established a network in more than 26 tier II and tier III cities/towns across India from Gorakhpur (Uttar Pradesh) to Mysore/Mysuru (Karnataka) and from Jodhpur (Rajasthan) to Patna (Bihar). We propose to increase our marketing and sales team which can focus on different regions/states and will also establish and maintain relationship with new and existing customers. Enhancing our presence in additional regions/states will enable us to reach out to a larger population. We aim to achieve this by adding value to our customers through innovation, quality assurance, timely delivery, and reliability. Our Company has also registered its products on various e-commerce platforms /websites to increase the visibility.

We have been kept on increasing our market share and we intend to continue with efforts to increase our market share in these regions/states. From 2016 onwards, we focused on increasing our brand awareness and establishing a strong distribution network in PAN India. Our continuous efforts for enhancing market share today put us in a better position to attract more distributors and increase our sales volumes. Our expenditure on advertising and promotion activities (including incentives and trades promotion expenses) in Fiscal 2021 was ₹ 0.34 Lakhs, which represented 0.012% of our branded retail consumer revenue amounting to ₹ 2,627 Lakhs and in Fiscal 2020 was ₹ 9.38 Lakhs which represented 0.25% of branded retail sale amounting to ₹ 3,804 Lakhs. Our success sofar will also give us the confidence to expand our market to other states.

### **2. Focus on consistently meeting quality standards**

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the Company from both customer point of view and regulatory point of view. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and maintaining long term relationship with customers.

### **3. Establish and develop long-term relationship with our Suppliers, Distributors and Stockiest.**

We believe in maintaining good relationship with our suppliers, distributors and stockiest is the most important factor to keep our Company growing. Our dedicated and focused approach towards quality of our products alongwith efficient and timely delivery have helped us to expand our customer base. We have also been maintaining a strong



relationship over the years with our suppliers, distributors and stockiests. We receive repetitive orders from our customers as well as from our suppliers. For us, establishing strong, mutually beneficial long-term relationship is a critical step in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

## SWOT Analysis

### Strengths

- Brand Krishival established in more than 26 cities/towns across India
- Experienced Management and successful track record of ensuring business viability
- Presence across India with more than 32 distributors
- Comfortable financial risk profile marked by under-leveraged capital structure and adequate liquidity profile

### Opportunities

- Healthy growth prospects in end user industry
- Increase in consumption of packaged goods
- Huge potential to expand brand across India beyond 26 Towns

### Weakness

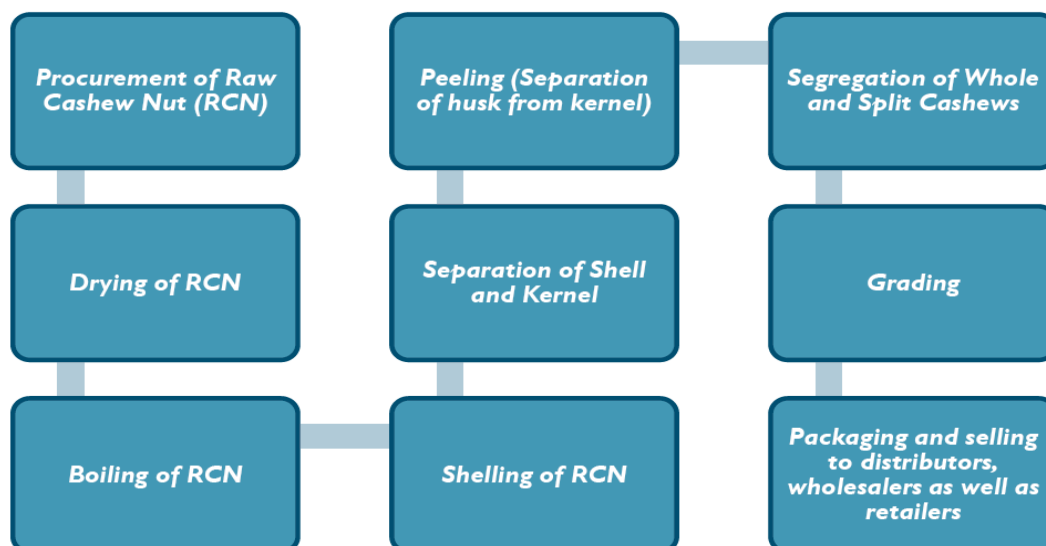
- Modest scale of operations impacted by Covid – 19 induced lockdown
- Working capital intensive operations marked by high inventory period
- Albeit increasing, profitability margins stood at net level

### Threats

- Susceptibility of the Company's profitability to volatility in cashew prices and foreign exchange fluctuations
- Highly Competitive Market with low product differentiation and value addition
- Uncertainty of Covid-19 outbreak across key markets coupled with pace of economic recovery post lockdown

## OUR MANUFACTURING PROCESS

The processing of raw cashew nuts into finished cashew kernels involve following steps:



### • Procurement of Raw Material

The major raw material in manufacturing raw cashew nuts into finished cashew kernels is procured from local farmers

and suppliers from Konkan and adjacent area and majorly imported from Indonesia and some African countries like Benin, Ghana, Guinea Bissau.

- **Drying**

The raw cashew nuts have to be sundried till moisture in the raw cashew nuts comes down to 8% so that it becomes usable. The nuts are rolled over on regular basis in order to ensure uniform drying. This process removes excess moisture from the nut.

- **Boiling**

An outer shell covers the edible cashew kernel. The process of steam roasting helps in the removal of this shell with minimal effort. Steam is passed over the raw cashew nuts placed in the roasting drum for about 15 minutes. A boiler is used in this process for steam generation.

- **Shelling**

After boiling, raw cashew nuts undergo shelling process. Raw cashew nut has a unique kidney shape. Moreover, the outer shell of raw cashew nut is very hard to crack. The shell contains a liquid called CNSL, which can be very dangerous if not properly handled. Shelling machines separate cashew shell and unblanched cashew kernels.

- **Separation of Shell and Kernel**

After shelling process, the shell and kernel get separated. Kernel has to be kept in dryer 8 hours to soak the oil from it to make it edible.

- **Peeling**

After drying of Cashew Kernels, the skin adhered to the Cashew Kernels is removed by subjecting them to compressed air and brushing them which is done by a machine.

- **Segregation of Whole and Split Cashews**

After peeling we get whole cashews and split cashews nuts.

- **Grading**

After segregation, Cashew Kernels are graded according their size and colour as per industry requirements of finished cashew nuts. In whole, we make 26 grades with various sizes and colour and 10 grades of split cashews.

- **Flavouring**

After grading, Cashew Kernels are flavoured with Red chilli/ Black pepper/ Salted flavours.

- **Packaging and Selling**

After grading, Kernels can be packed in 100 gm, 250 gm, 10 kg box and 10 kg tin as per the orders. The product is sold under the brand name “**KRISHIVAL CASHEW**”.

### ***Raw Material***

The raw cashew nut is the main raw material required for our products.

Raw materials and related costs amounted to ₹2,483.58 Lakhs, ₹1,967.25 Lakhs, ₹3,002.16 Lakhs and ₹4,652.20 Lakhs representing 98.91%, 71.38%, 69.66% and 94.14% of our total expenses, for seven months period ended October 31, 2021, Fiscal 2021, 2020 and 2019. We majorly import raw cashew nut from Benin and other African countries like Guinea Bissau, Ghana. The raw material is also sourced from Konkan and adjacent area of Maharashtra.

Depending upon market conditions and our requirement of our products on our estimated sales, we try to keep our raw material costs low by timing our purchases and delivery months. We typically do not enter into long term supply arrangements for procurement of raw materials. We enter into short term contracts for procurement of raw material, typically around 2 (Two) months prior to the date of expected requirement. The raw materials and finished products are subject to price fluctuations as a result of seasonality, weather, demand in local and international markets and other factors.

Cashew Kernels are produced in our processing facilities situated in Kolhapur district, following are the details of the utilities which are installed in our processing and packaging units to supplement the production of Cashew Kernels:

**a) Land**

Our existing processing and packaging units and warehouse are situated on leased premises. Recently, our subsidiary namely Siddhivinayak Cashew Industries Private Limited has been offered a plot of land admeasuring 20,000 sq. mtrs on leasehold basis from MIDC Halkarni Industrial Area, Kolhapur district, Maharashtra. However as on date of this Draft Prospectus, the execution of lease agreement and allotment of the plot is still pending.

**b) Power and Fuel**

The requirement of power for our operations, like power for heating of the boiler and operating the machinery/equipment, is sourced from MSEB. We avail the total sanctioned load of approx. 223 kilo watts. We also have one (1) standby generator set for use during emergency situation to have uninterrupted power supply to our processing unit.

**c) Water**

We source water at our packaging and processing units from borewell and we do not have any other source for water. Water is used in our processing unit for boiling RCN.

**d) Health, Safety and Environmental Clearance**

We are committed to protecting the environment in the course of our operations. We have put in place procedures to ensure that our operations comply with relevant environmental regulations. We have a health, safety and environment policy which reaffirms our commitment to provide a safe workplace and clean environment to our employees. All the workmen are provided with safety gloves, masks, boots and other necessary apparel as required. Our processing and packaging facilities are also materially compliant with applicable environmental regulations. We endeavour to minimize any accidents at our processing and packaging facilities.

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted a health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management. We are compliant, in material respects, with applicable health and safety laws and regulations.

We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees.

**Waste Management**

There is no hazardous waste generated in the processing of raw cashew nuts into finished cashew kernels . The leftovers, such as husks and other biodegradable material produced while processing of Cashew Kernels are used in production of organic manure, which is purchased by local farmers for agricultural use, sale of organic manure produced during FY 2021 which constituted 7% of our revenue.

## **Marketing**

Our Company generally procures orders through our customers based on repetitive businesses from various distributors. We have also listed our products on various E-commerce platforms.

Certain marketing initiatives that we have undertaken to increase visibility of our brand include, print publication, radio, digital media, public relations, consumer offers, roadshows and displaying hoardings in major towns among others. Localised endorsements are also strategically used from time to time. Print media is typically used at the time of launch of a campaign and is primarily used to reach the non-regional language of the relevant state. Consumer offers such as promotional schemes provide us with an opportunity to test new products with various demographics. As of March 31, 2021, we had three (3) employees in our sales and marketing team who actively engage with key distributors to review sales figures and discuss their concerns and expectations. We also have a dedicated sales and marketing team of employees, which handles marketing, business development and relationship management for our products.

We sell our products in many states but majority of our sales are from, Madhya Pradesh, Rajasthan, Uttar Pradesh, Maharashtra and Punjab.

## **Logistics**

We transport raw materials and finished products primarily by road. Our suppliers directly deliver our raw materials to our warehouses or processing and packaging facilities. We outsource the delivery of our products to either third-party logistics companies or as mutually decided between the customer and us. We have also hired trucks and tractor-trolleys for local sourcing and delivery of our products as per requirements.

## **Competition**

Our Company operates in a competitive environment having large number of organized and unorganized players. However, the Company has an advantage to cater to market needs in different geographies across India with its increasing distribution partners. Moreover, the Company's brand Krishival Cashews provides a competitive advantage against other unorganized players in the industry.

## **Collaborations/Tie Ups/ Joint Ventures**

As on date of this Draft Prospectus and in normal course of business, we do not have any collaborations/tie-ups/joint ventures as on date of this Draft Prospectus.

## **Export Obligation**

Our Company does not have any export obligations, as on date of this Draft Prospectus.

## **Plant & Machinery**

The processing and packaging facilities have been built keeping in mind efficiency, safety and environmental factors. Our processing and packaging facilities are surrounded by all the key ingredients required for a well functioning unit. Some of our Plant and Machinery include: Cashew Cutting Machine, Boiler, Husk Cleaning Machine, Dryer, Grading Machine, Jumbo Crate JCDW, Peeling Machine, Colour Sorter Machine, compressor, Automatic Cutting Machines, Steam Dryer, Printing Machine, Peeling Machine, Automatic Cutting Machines, Automatic Packing Machine, Cashew Cutting Machine etc.

## Capacity and Capacity Utilization

Below are the details of the installed and the utilized capacity of our company: -

| Particulars of manufacturing unit | Seven months period ended October 31, 2021 | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|-----------------------------------|--|----------------|----------------|----------------|
| Installed Capacity                | 4000 Ton                                   | 4000 Ton       | 4000 Ton       | 3750 Ton       |
| Production volume                 | 1870 Ton                                   | 1590 Ton       | 2800 Ton       | 2600 Ton       |
| Capacity utilization              | 46.75%                                     | 40.00%         | 70.00%         | 69.00%         |

## Human Resource

We have in our team qualified, technical, skilled and unskilled personnel who are abreast with the updated manufacturing norms. They are committed & dedicated to maintain the specified standard, quality & safety of our products. As on December 31, 2021, we have employed total 196 full time employees and skilled workers, semi skilled workers and unskilled workers. We have employed a prudent mix of the experienced staff and youth which gives us the dual advantage. Below are the details of the manpower engaged by our company: -

| Category   | No of Employees |
|--|-----------------|
| Senior Management                                    | 6               |
| Office & Administration , Marketing & Sales          | 38              |
| Skilled Workers, Semi – Skilled and Unskilled Worker | 152             |
| <b>Total</b>   | <b>196</b>      |

## Insurance

Our business operations involves many risks, which, if not insured, could adversely affect our business and results of operations. We maintain insurance coverage that we consider customary in the industry against certain of the operating risks. We have a coverage of ₹2,329.38 Lakhs all together, Our insurance policies include Plant, Machinery and Workers.

## Intellectual Property

We have registered for several trademarks, copyrights and designs in connection with our business in India. For further details, see **“Government and Other Approvals”** on page 210 of this Draft Prospectus.

## Information Technology

Our Company has sufficient IT infrastructure to generate various MIS reports required for Accounts, Finance control and operational control. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements and maintaining secure enterprise operations.

## Immovable Properties

Below are the details of the Properties owned/rented by us or registered in our name or our wholly owned subsidiaries:

### a) Freehold

| Sr. No. | Particulars of the Property  | Use                  |
|---------|--|----------------------|
| 1.      | 1309, Lodha Supremus, Saki Vihar road, Powai, Mumbai, Maharashtra 400072 | Registered Office    |
| 2.      | 2102, Raj Grandeur, Hiranandani Garden, Powai, Mumbai 400076             | Residential Property |

*b) Leashold Property*

| Sr. No. | Details of the Deed/Agreement  | Particulars of the Property description and area                           | Consideration/License Fee/Rent (₹. in Lakhs) | Tenure/Term    | Use             |
|---------|--|--|--|----------------|-----------------|
| 1.      | Leave and License Agreement dated February 01, 2017 executed between Empyrean Cashews Private Limited, Anant Pandurang Kulkarni (“ <b>Licensees</b> ”) and Mashnu Bharmana Gawade (“ <b>Licensors</b> ”)                         | Village Halkarni, Taluka Chandgad, District Kolhapur, Maharashtra – 416508 | 0.25   | Ten (10) years | Processing Unit |
| 2.      | Leave and License Agreement dated November 13, 2017 executed between Shrikant Balkrishna Desai, Mugdha Shrikant Desai (“ <b>Licensors</b> ”) and Empyrean Cashews Private Limited and Nana Prakash Mhaske (“ <b>Licensees</b> ”) | Village Shinoli, Taluka Chandgad, District Kolhapur, Maharashtra – 416507  | 0.50   | Five (5) years | Packaging Unit  |
| 3.      | Lease Agreement dated February 04, 2017 executed between Shri Balwant, Shri Jayram (“ <b>Leasor</b> ”) and Empyrean Cashews Private Limited (“ <b>Leasee</b> ”)  | Village Kudremani, District Belgavi, Karnataka - 591128                    | 0.40   | Five (5) years | Warehouse       |

For risk related to leased premises, please see “**Risk Factors – 23**” on page 26.

## KEY INDUSTRIAL REGULATIONS AND POLICIES

*Given below is an indicative summary of certain sector specific laws currently in force in India and which are applicable to our Company. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative or judicial decisions.*

### **Key regulations applicable to our Company**

#### ***Food Safety and Standards Act, 2006 (“FSSA”) and the Food Safety and Standards (Amendment) Bill, 2020***

The FSSA was enacted with a view to consolidate the laws relating to food and to establish the FSSAI for laying down scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The FSSAI is required to provide scientific advice and technical support to the GoI and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator (“FBO”) and liability of manufacturers and sellers, and adjudication by the Adjudicating Officer (Joint Commissioner or Additional Collector) or the Food Safety Appellate Tribunal, as the case may be. The FSSA also lays down penalties and/or imprisonment for various offences (including recall procedures).

In exercise of powers under the FSSA, FSSAI has framed, *inter alia*, the Food Safety and Standard Rules, 2011 FSSR”. The FSSR sets out the enforcement structure of ‘commissioner of food safety’, ‘food safety officer’ and food analyst and procedures of taking extracts of books of accounts and other relevant documents, seizure of food articles, sampling of food articles and analysis. The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provide for the conditions and procedures for registration and licensing process for food business and lays down general requirements to be fulfilled by various FBOs, including petty food business operators as well as specific requirements to be fulfilled by businesses dealing with certain food products.

Further, the Ministry of Health & Family Welfare framed the Food Safety and Standards (Amendment) Bill 2020, introducing 70 new amendments in the FSSA to alter huge parts of FSSAI functioning and its jurisdiction.

#### ***Legal Metrology Act, 2009 (the “Legal Metrology Act”) and Legal Metrology (Packaged Commodities) Rules, 2011***

The Legal Metrology Act seeks to establish and enforce standard weights and measures regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act and rules framed thereunder regulate *inter alia*, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the Legal Metrology Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the Legal Metrology Act. Any non-compliance or violation under the Legal Metrology Act may result in *inter alia* a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Legal Metrology (Packaged Commodities) Rules, 2011 framed under the Legal Metrology Act lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provide for registration of manufacturers and packers. Further, the Legal Metrology (Packaged Commodities) Amendment Rules, 2017 lay down specific provisions for e-commerce transactions and online sale of packaged commodities.

### ***Factories Act, 1948 (“Factories Act”)***

Factories Act defines a ‘factory’ to cover any premises which employs ten or more workers on any day of the preceding twelve months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process

Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e., the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities

- 1) Contract Labour (Regulation and Abolition) Act, 1970;
- 2) Minimum Wages Act, 1948;
- 3) Payment of Bonus Act, 1965;
- 4) Payment of Gratuity Act, 1972;
- 5) Payment of Wages Act, 1936/
- 6) Industrial Disputes Act, 1947; and
- 7) Employee’s Compensation Act, 1923

### **Laws related to taxation**

The tax related laws that are pertinent, include the Income Tax Act 1961, Income Tax Rules, 1962, Customs Tariff Act, 1975 and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and Services Tax legislations, the Integrated Goods and Services Tax Act, 2017, and Union Territory Goods and Services Act, 2017, and various rules made thereunder

### **Environmental Regulations**

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards “PCB”, which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. As per the applicable state law, the industries are required to obtain consent orders from the PCBs as per their applicable categories. These consent orders are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms and are required to be kept renewed.

#### ***a) The Environment (Protection) Act, 1986 (“Environment Act”)***

The Environment Act has been enacted with the objective of protection and improvement of the environment. Under the Environment Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The Environment Act also contains provisions with respect to furnishing information to authorities in certain cases, the establishment of environment laboratories and the appointment of government analysts. The Environment Act prescribes penalties in form of fine, imprisonment or both, in case of non-compliance with the



Environment Act or the rules thereunder.

**b) *Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)***

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“**State PCB**”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

**c) *Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)***

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use of fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent. The Air Act prescribes penalties for contravention in terms of fine, imprisonment or both.

**Shops and Establishments Legislations.**

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

**Municipality Laws.**

The respective state legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective state governments have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

**Trade Marks Act, 1999 (“Trade Marks Act”)**

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties in form of imprisonment or fine or both for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

**Copyright Act, 1957**

The Copyright Act, 1957, along with the Copyright Rules, 1958, (collectively, “Copyright Laws”) serve to create property rights for certain kinds of intellectual property, generally called works of authorship. The Copyright Laws protect the legal rights of the creator of an ‘original work’ by preventing others from reproducing the work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography and sound recordings. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

**Laws relating to Employment**

Certain labour regulations that may be applicable to our Company in India including Employees' Provident Funds and Miscellaneous Provisions Act, 1952; Employees' State Insurance Act, 1948; Employee's Compensation Act, 1923; Equal Remuneration Act, 1976; The Maternity Benefit Act, 1961; Labour Contract Labour (Regulation and Abolition) Act, 1970; Industrial Employment (Standing Orders) Act, 1946; Minimum Wages Act, 1948; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 among others.

The Occupational Safety, Health and Working Conditions Code, 2020, the Code on Social Security, 2020, The Industrial Relations Code, 2020, and the Code on Wages, 2019 have received the President's assent, and will come into force at a date notified by the Central Government. With respect to Code on Wages, 2019, certain provisions of this code pertaining to central advisory board, have been brought into force by the Ministry of Labour and Employment through a notification dated December 18, 2020 and other provisions of this code will be brought into force on a date to be notified by the Central Government.

**Other applicable laws.**

In addition to the above, our Company is required to comply with the provisions of the Indian Contract Act, 1872, Companies Act, 2013, Transfer of Property Act, 1882, the Indian Easement Act, 1882, the Indian Stamp Act, 1899, the Registration Act, 1908 to the extent applicable, SEBI Listing Regulations, RBI guidelines, IBC, and other applicable laws and regulations imposed by the central and state governments and other authorities for the day-to-day operations, business, and administration of our Company.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as a private limited company vide certificate of incorporation dated March 21, 2014 bearing corporate identity number U74120MH2014PTC254748 issued by Registrar of Companies, Mumbai, Maharashtra. Subsequently pursuant to a special resolution passed at the EGM dated November 08, 2021 our Company was converted from a private limited company to a public limited company and consequently the name of our Company was changed to ‘*Empyrean Cashews Limited*’ and a fresh certificate of incorporation dated November 22, 2021 bearing corporate identification U74120MH2014PLC254748 number was issued by the Registrar of Companies, Mumbai, Maharashtra.

### Change in registered office of our Company

The registered office of our Company was originally situated at Unit No. 49, C Wing, 2<sup>nd</sup> Floor, Raj Industrial Complex, Military Road, Marol, Andheri East Mumbai 400059.

| Date of Change    | New address   | Reason for Change                      |
|-------------------|---|--|
| November 11, 2020 | F-57, APMC Masala Market I, Phase II, Sector 19, Vashi, Navi Mumbai – 400705        | Operational/administrative convenience |
| June 24, 2021     | 1309, Lodha Supremus, Saki Vihar Road, opposite MTNL office, Powai, Mumbai – 400072 | Operational/administrative convenience |

### Main objects of the Company

The main objects of the Company are as follows

- To carry on the business as manufacturers, producers, processors, distributors, wholesalers, retailers, buyers, sellers, suppliers, agents, merchants, traders, importers, exporters, makers and dealers of cashew products and related dry fruits products.*

### Amendments to Memorandum of Association

The following amendments were made to the Memorandum of Association of our Company in the last ten (10) years:

| Date of shareholder's resolution | Nature of amendments   |
|----------------------------------|--|
| March 09, 2015                   | <i>The capital clause of our Memorandum of Association was substituted to reflect the increase in authorised share capital of our Company from ₹1,00,000 consisting of 10,000 Equity Shares of ₹10 each to 1,00,00,000 divided into 10,00,000 Equity Shares of ₹10 each.</i>               |
| December 03, 2015                | <i>The capital clause of our Memorandum of Association was substituted to reflect the increase in authorised share capital of our Company from ₹1,00,00,000 consisting of 10,00,000 Equity Shares of ₹10 each to ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹10 each</i>        |
| February 25, 2017                | <i>The capital clause of our Memorandum of Association was substituted to reflect the increase in authorised share capital of our Company form ₹5,00,00,000 consisting of 50,00,000 Equity Shares of ₹10 each to ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹10 each</i>     |
| March 26, 2018                   | <i>The capital clause of our Memorandum of Association was substituted to reflect the increase in authorised share capital of our Company from ₹10,00,00,000 consisting of 1,00,00,000 Equity Shares of ₹10 each to ₹ 15,00,00,000 consisting of 1,50,00,000 Equity Shares of ₹10 each</i> |

|                   |   |
|-------------------|---|
| November 08, 2021 | <i>Our Company was converted from a private limited company into a public limited company and consequently the name of our Company was changed from “Empyrean Cashews Private Limited” to “Empyrean Cashews Limited” to reflect such change</i>   |
| December 02, 2021 | <i>The capital clause of our Memorandum of Association was substituted to reflect the increase in authorised share capital of our Company from ₹15,00,00,000 consisting of 1,50,00,000 Equity Shares of ₹10 each to ₹20,00,00,000 consisting of 2,00,00,000 Equity Shares of ₹10 each</i> |

## Corporate profile of our Company

Details regarding the description of our Company’s activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, distributors and customers, segment, capacity/facility creation, launch of key products, entry in new geographies, capacity built-up, location of manufacturing facilities, marketing and competition, please see sections titled ‘**Our Business**’, ‘**Our Management**’, ‘**Management Discussion and Analysis of Financial Position and Results of Operations**’ on pages 99, 117 and 184 of this Draft Prospectus.

## Major Events and Milestones

The table below sets forth some of the key events and milestones in our history since its incorporation.

| <b>Fiscal Year</b> | <b>Events</b>  |
|--------------------|--|
| 2014               | Incorporated as a private limited company                        |
| 2014               | Set up of processing unit  |
| 2016               | Set up of packaging unit   |
| 2019               | Company achieved a revenue of ₹ 5,000 Lakhs                      |
| 2021               | Conversion of Company from private limited to public limited     |
| 2022               | Acquisition of ‘Siddhivinayak Cashew Industries Private Limited’ |

## Time and Cost Overrun

As on date of this Draft Prospectus, our Company has not experienced any instance of any time and cost overrun in setting up projects:

## Defaults of Rescheduling of Borrowings with Financial Institutions/Banks

There are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation of our Company.

## Details regarding material acquisition or disinvestment of business/undertakings, mergers and amalgamations.

Pursuant to resolution of Board of directors dated January 08, 2022, our Company has acquired 99.94% of equity share capital of Siddhivinayak Cashew Industries Private Limited on January 08, 2022.

## Revaluation of assets.

As on date of this Draft Prospectus, our Company has neither revalued its assets nor has it issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

## Holding Company.

As on date of this Draft Prospectus, our Company does not have a holding Company.

## Subsidiaries of our Company

As on date of this Draft Prospectus, our Company has one (1) Subsidiary, namely, Siddhivinayak Cashew Industries Private Limited which became a subsidiary of our Company with effect from January 08, 2022.

For further details, please see to section titled '*Our Subsidiary*' on page 115 of this Draft Prospectus.

**Associate of Joint Ventures of our Company.**

As on date of this Draft Prospectus, our Company does not have any joint ventures or associate companies.

**Strategic and Financial Partners.**

As on date of this Draft Prospectus, our Company does not have any strategic or financial partners.

**Shareholders and Other Agreements.**

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

Further, there are no other inter se agreements/ arrangements and clauses/ covenants which are material and which needs to be disclosed and that there are no other clauses / covenants which are adverse/ pre-judicial to the interest of the minority / public shareholders. Further, there are no other agreements, deed of assignments, acquisition agreements, SHA, inter-se agreements, agreements of like nature other than those disclosed in the Draft Prospectus. As on date of filing of this Draft Prospectus no shareholder/ investor is entitled to any special rights pursuant to any shareholders' agreement or any other arrangement.

**Agreement with key managerial personnel or a Directors or Promoters or any other employee of the Company.**

There are no agreements entered into by a Key Managerial Personnel or 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.

**Guarantees given by Promoters offering its shares in the Offer for Sale**

The Promoters of our Company are not offering their Equity Shares in the present Issue.

## OUR SUBSIDIARY

As on date of this Draft Prospectus, our Company has one subsidiary namely, Siddhivinayak Cashew Industries Private Limited registered in India. Siddhivinayak Cashew Industries Private Limited became our subsidiary with effect from January 08, 2022 (“**Subsidiary**”). The details of set forth below:

### Corporate Information

Siddhivinayak Cashew Industries Private Limited was incorporated on September 30, 2021 vide certificate of incorporation dated September 30, 2021 bearing corporate identity number U15130MH2021PTC368578 issued by Registrar of Companies, Mumbai. The registration number of our Subsidiary Company is 368578 and the registered office of our Subsidiary Company is situated at 1309, Lodha Supremus, Powai, Saki Vihar Road, opposite MTNL office, Powai, Mumbai City, Maharashtra- 400072, India.

Our Subsidiary Company is majorly engaged in the business of processing raw cashew nuts and related dry fruit products. The main objects pursued by our Subsidiary Company on its incorporation are.

- *‘To carry on the business as manufacturers, producers, processors, distributors, wholesalers, retailers, buyers, sellers, suppliers, agents, merchants, traders, importers, exporters, makers and dealers of cashew products and related dry fruit products’*

### Capital Structure:

The authorized capital of our Subsidiary is ₹1,00,000 divided into 10,000 Equity Shares of ₹10/- each. The issued, subscribed and paid-up share capital is ₹1,00,000 divided into Equity Shares of ₹ 10/- each.

### Shareholding pattern as on January 31, 2022

The following table sets forth details of the shareholding pattern of our Subsidiary:

| S. No. | Name of the Shareholder    | Number of Equity Shares | Percentage of total shareholding (%) |
|--------|----------------------------|-------------------------|--------------------------------------|
| 1.     | Empyrean Cashews Limited   | 9,994                   | 99.94%                               |
| 2.     | Aparna Morale Bangar*      | 01                      | 0.01%                                |
| 3.     | Atul Rege*                 | 01                      | 0.01%                                |
| 4.     | Nana Prakash Mhaske*       | 01                      | 0.01%                                |
| 5.     | Ananat Pandurang Kulkarni* | 01                      | 0.01%                                |
| 6.     | Swati Rege*                | 01                      | 0.01%                                |
| 7.     | Amol Morale*               | 01                      | 0.01%                                |
|        | <b>Total</b>               | <b>10,000</b>           | <b>100.00%</b>                       |

*\*Nominee shareholders of Empyrean Cashews Limited*

### Board of directors

| Sr No. | Name of the Director | Designation |
|--------|----------------------|-------------|
| 1.     | Aparna Morale Bangar | Director    |
| 2.     | Nana Prakash Mhaske  | Director    |
| 3.     | Sunil Kumar Agarawal | Director    |

### Accumulated Profits or Losses of our Subsidiary.

There are no accumulated profits or losses of our Subsidiary, not accounted for, by our Company as on the date of this Draft Prospectus.

### Business interests between our Company and our Subsidiary.

Our Subsidiary is engaged in the line of business that is similar and/or synergistic to our Company, primarily pertaining to trading and manufacturing of cashew and related dry fruit products. Our Subsidiary has been incorporated to undertake or operate in line with our Company's business objectives in the domestic markets, on behalf of our Company.

Since our Company has 99.94% of shareholding in our Subsidiary Company out of the the balance 0.03% is held by our Promoters Aparna Morale Bangar, Nana Prakash Mhaske and Anant Pandurang Kulkarni, we do not envisage any conflict of interest between our Company and our Subsidiary Company.

For further details on the business transactions between our Subsidiary and our Company and significance of such transactions on the financial performance of our Company see, "***Financial Information-Related Party Transactions***" at page 183.

Except as stated in the sections titled "***Our Business***" and "***Financial Information - Related Party Transactions***" on pages 99 and 183, our Subsidiary does not have any business interest in our Company.

### **Litigation**

As on date of this Draft Prospectus, there are no pending litigations involving our Subsidiary.

### **Other confirmations**

1. Our Subsidiary is not listed on any stock exchange in India or abroad. Further, our Subsidiary has not been refused listing of any securities at any time, by any of the recognized stock exchanges in India or abroad.
2. There have been no instances of default in repayment of deposits or payment of interest thereon by our Subsidiary

## OUR MANAGEMENT

### Our Board of Directors

Our Articles of Association require us to have not less than three (03) and not more than fifteen (15) Directors. As on date of this Draft Prospectus, we have six (06) Directors on our Board, which includes, one (01) Managing Director, two (02) Executive Directors, and three (03) Independent Non-Executive Directors. We have one (01) woman director.

Set forth below, are details regarding our Board as on the date of this Draft Prospectus:

| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality   | Age (years) | Other Directorships  |
|--|-------------|--|
| <b>Aparna Morale Bangar</b><br><b>DIN:</b> 05332039<br><b>Date of Birth:</b> February 22, 1988<br><b>Designation:</b> Managing Director and Chairperson<br><b>Address:</b> Raj Grandeur A2102, behind Hiranandani Hospital, Hiranandani Garden, Powai, Mumbai, Maharashtra - 400076<br><b>Occupation:</b> Business<br><b>Term:</b> A period of three (03) years w.e.f. August 16, 2021<br><b>Nationality:</b> India                  | 33          | a. Kuldew Technologies Private Limited<br>b. Empyrean Healthcare Private Limited<br>c. SSBA Innovations Private Limited<br>d. Siddhivinayak Cashew Industries Private Limited                      |
| <b>Nana Prakash Mhaske</b><br><b>DIN:</b> 01911731<br><b>Date of Birth:</b> February 19, 1979<br><b>Designation:</b> Executive Director and Chief Executive Officer<br><b>Address:</b> Flat No. 284, 203 A2, 2 <sup>nd</sup> Floor, Elysian Baner Road, Baner, N.I.A. Pune, Maharashtra, 411045<br><b>Occupation:</b> Business<br><b>Term:</b> For a period of three (03) years w.e.f. August 16, 2021<br><b>Nationality:</b> Indian | 42          | a. Empyrean Speciality Sugar and Biomass Limited<br>b. Empyrean Healthcare Private Limited<br>c. Crazy Talkies Entertainment Private Limited<br>d. Siddhivinayak Cashew Industries Private Limited |
| <b>Anant Pandurang Kulkarni</b><br><b>DIN:</b> 01887356<br><b>Date of Birth:</b> August 05, 1981<br><b>Designation:</b> Executive Director and Chief Financial Officer<br><b>Address:</b> 371/77, Kasba Peth, Kachari road, Tal Barshi, Solapur, Maharashtra – 413 401.<br><b>Occupation:</b> Business   | 40          | a. Empyrean Speciality Sugar and Biomass Limited<br>b. Empyrean Healthcare Private Limited<br>c. Crazy Talkies Entertainment Private Limited   |



| Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality  | Age (years) | Other Directorships   |
|---|-------------|---|
| <b>Term:</b> For a period of three (03) years w.e.f. August 16, 2021  |             |   |
| <b>Nationality:</b> Indian  |             |   |
| <b>Shailesh Kumar Jain</b>  | 33          | a. UBNC LLP   |
| <b>DIN:</b> 08531336  |             |   |
| <b>Date of Birth:</b> July 10, 1988   |             |   |
| <b>Designation:</b> Independent Non-executive Director  |             |   |
| <b>Address:</b> 22, Chirag Complex, behind Ghoomar Garden, Sector-4, Girwa, Udaipur, Rajasthan - 313001                                 |             |   |
| <b>Occupation:</b> Professional   |             |   |
| <b>Term:</b> For a period of five (05) years with effect from August 06, 2021   |             |   |
| <b>Nationality:</b> Indian  |             |   |
| <b>Neeraj Kulbhushan Taandon</b>  | 50          | Nil   |
| <b>DIN:</b> 08747380  |             |   |
| <b>Date of Birth:</b> November 12, 1971   |             |   |
| <b>Designation:</b> Independent Non-executive Director  |             |   |
| <b>Address:</b> N-2 CIDCO, opposite ADCA Stadium Pavilion, Shree Krishna, Plot No. 59-60, Gat No – 70, Aurangabad, Maharashtra - 431003 |             |   |
| <b>Occupation:</b> Professional   |             |   |
| <b>Term:</b> For a period of five (05) years with effect from August 06, 2021   |             |   |
| <b>Nationality:</b> Indian  |             |   |
| <b>Sunil Kumar Agarwal</b>  | 48          | a. Unirub Techno India Private Limited<br>b. Lotus Tapes (India) Private Limited<br>c. Unirub Industries Private Limited<br>d. Viburnum Tapes Private Limited<br>e. Siddhivinayak Cashew Industries Private Limited |
| <b>DIN:</b> 08676321  |             |   |
| <b>Date of Birth:</b> February 04, 1974   |             |   |
| <b>Designation:</b> Independent Non-executive Director  |             |   |
| <b>Address:</b> 1703, B Wing, Rustomjee Seasons, Gandhi Nagar, MIG Colony, Bandra East, Mumbai, Maharashtra, 400051                     |             |   |
| <b>Occupation:</b> Professional   |             |   |
| <b>Term:</b> For a period of five (05) years with effect from October 01, 2021  |             |   |
| <b>Nationality:</b> Indian  |             |   |

## **Brief Biographies of our Directors**

**Aparna Morale Bangar**, aged 33 years is the Promoter, Chairperson and Managing Director of our Company. She graduated with a Bachelor in Pharmacy degree from University of Pune. She has completed her post graduate diploma in Yoga therapy from Shivaji University at Kolhapur and post graduate diploma in Business Administration from Symbiosis Centre for Distance Learning. She is one of the founding members of our Company. Being the Chairperson and Managing Director of the Company, she plays a vital role in formulating and composing business strategies and operations. She was initially appointed on March 21, 2014 as an Executive Director of the Company. She was appointed as the Managing Director in the meeting of the Board of Directors dated August 16, 2021 and the same was approved in the shareholder's meeting dated October 11, 2021.

**Nana Prakash Mhaske**, aged 42 years is the Promoter and Executive Director cum Chief Executive Officer of our Company. He has graduated with a Bachelor of Arts degree from University of Pune in May 2000. He is one of the founding members of the Company and has a work experience of over twenty (20) years in the cashew industry with specialization in operations and sales. He plays a significant role in executing the business and related administration plans and strategies. He was initially appointed on March 21, 2014 as an Executive Director of the Company. He was appointed as the Executive Director cum Chief Executive Officer in the meeting of the Board of Directors dated August 16, 2021 and the same was approved in the shareholder's meeting dated October 11, 2021.

**Anant Pandurang Kulkarni**, aged 40 years is the Promoter and Executive Director cum Chief Financial Officer of our Company. He graduated with a bachelor in commerce degree from University of Pune in May, 2002 and further went on to complete masters in commerce specialising in '*Advance Banking and Finance*' from University of Pune. He is one of the founding members of the Company and has an experience of over two decades and plays an instrumental role in managing and executing the pecuniary/financial aspects of our Company's business. He was initially appointed on March 21, 2014 as an Executive Director of the Company. He was appointed as the Executive cum Chief Financial Officer in the meeting of the Board of Directors dated August 16, 2021 and the same was approved in the shareholder's meeting dated October 11, 2021.

**Shailesh Kumar Jain**, aged 33 years is an Independent and Non-Executive Director of our Company. He has completed his Masters in Commerce and Bachelors in Commerce from Mohanlal Sukhadia University, Udaipur in the year 2008. He is an associate member of the Institute of Company Secretaries of India and has also received certificate of practice as a Company secretary. His core area of practice is ROC, Income Tax, GST and Project Financing. He was appointed as an Additional Non- Executive Independent Director in the meeting of the Board of Directors held on August 06, 2021 and pursuant to a resolution passed in the shareholder's meeting dated October 11, 2021, his appointment was regularized.

**Neeraj Kulbhushan Taandon**, aged 50, is an Independent and Non-Executive Director of our Company. He graduated with a Bachelor of Commerce degree from Marathwad University and completed his post graduation in Business Management from Marathwada University. He has over 15 years of professional experience and has been a successful entrepreneur in construction activities. He was appointed as an Additional Non- Executive Independent Director in the meeting of the Board of Directors held on August 06, 2021 and pursuant to a resolution passed in the shareholder's meeting dated October 11, 2021, his appointment was regularized.

**Sunil Kumar Agarwal**, aged 48, is an Independent and Non-Executive Director of our Company. He graduated with a Bachelor of Arts from Tilka Manjhi Bhagalpur University in year 1994. He has over 15 years of experience. He is ex IRS and 2 years as tax consultant. He had served at higher positions in the Income Tax Department in Kolkata and Mumbai before resigning from IRS in 2019. He was appointed as an Additional Non- Executive Independent Director in the meeting of the Board of Directors held on October 01, 2021 and pursuant to a resolution passed in the shareholder's meeting dated October 11, 2021, his appointment was regularized.

## **Confirmations**

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Prospectus with the SEBI, during the term of his/ her directorship in such company.
2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
3. None of our Directors have been identified as a wilful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.
4. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
5. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

### **Relationship between our Directors**

As on date of this Draft Prospectus, none of the directors on our Board are related to each other.

### **Arrangements and Understanding with Major Shareholders**

None of our Key Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director or member of senior management.

### **Payment or Benefit to officers of our Company**

Except as stated otherwise in this Draft Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

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

### **Borrowing Powers of our Board**

The Articles, subject to the provisions of Section 180 (1) (c) of the Companies Act, 2013 authorize the Board to from time to time at its discretion or by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose borrow or secure the payment of any sum or sums of money for the purposes of our Company.

### **Terms of appointment of our Executive Directors**

#### *i. Terms of Appointment of Anant Pandurang Kulkarni*

Pursuant to a resolution passed by the Board of Directors at their meeting held on August 16, 2021 and approved by the Shareholders of our Company at the AGM held on October 11, 2021, Anant Pandurang Kulkarni was appointed as the Executive Director cum Chief Financial Officer of the Company for a period of three (03) years with effect from August 16, 2021 upto August 15, 2024 at a remuneration not exceeding ₹12,00,000 per annum per annum incase of having profit or no profit or inadequacy of profit.

The remuneration was fixed in accordance with Sections 196, 197 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the Companies Rules, 2014. The remuneration commensurate with the remuneration packages paid to their similar counterparts in other companies.

*ii. Terms of Appointment of Aparna Morale Bangar*

Pursuant to a resolution passed by the Board of Directors at their meeting held on August 16, 2021 and approved by the Shareholders of our Company at the AGM held on October 11, 2021, Aparna Morale Bangar was appointed as the Chairperson and Managing Director of the Company for a period of three (03) years with effect from August 16, 2021 upto August 15, 2024 at a remuneration not exceeding ₹30,00,000 per annum incase of having profit or no profit or inadequacy of profit.

The remuneration was fixed in accordance with Sections 196, 197 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the Companies Rules, 2014. The remuneration commensurate with the remuneration packages paid to the similar counterparts in other companies. In addition to the aforesaid, Aparna Morale Bangar has also been provided a company owned residential property as rent free accommodation at 2102, Raj Grandeur, Hiranandani Garden, Powai, Mumbai 400076 as a part of the remuneration received by her.

*iii. Terms of Appointment of Nana Prakash Mhaske*

Pursuant to a resolution passed by the Board of Directors at their meeting held on August 16, 2021 and approved by the Shareholders of our Company at the AGM held on October 11, 2021, Nana Prakash Mhaske was appointed as the Executive Director cum Chief Executive Director of the Company for a period of three (03) years with effect from August 16, 2021 upto August 15, 2024 at a remuneration not exceeding ₹13,80,000 per annum per annum incase of having profit or no profit or inadequacy of profit.

The remuneration was fixed in accordance with Sections 196, 197 and Schedule V and other relevant provisions of the Companies Act, 2013 read with the Companies Rules, 2014. The remuneration commensurate with the remuneration packages paid to their similar counterparts in other companies.

**Remuneration details of our Directors**

*(i) Remuneration of our Executive Directors*

The compensation payable to Executive Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2020-21 is as follows:

| <b>Sr. No.</b> | <b>Name of the Director</b> | <b>Remuneration (₹ in lacs)</b> |
|----------------|-----------------------------|---------------------------------|
| 1.             | Aparna Morale Bangar        | 30.00                           |
| 2.             | Nana Prakash Mhaske         | 13.80                           |
| 3.             | Anant Pandurang Kulkarni    | 12.00                           |

As on date of this Draft Prospectus, the Executive Director of our Company has not been paid sitting fees for attending meetings of our Board and the committees of the Board.

(ii) *Sitting fee details of our Non- Executive Director and Independent Directors*

Apart from the remuneration to Executive Directors, if any as provided, our Non-Executive Directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act, 2013 and the Rules made there under and actual travel, boarding and lodging expenses for attending the Board or committee meetings. They may also be paid commissions and any other amounts as may be decided by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

Our Non-Executive Director and Independent Directors have not been paid any sitting fee for Fiscal 2021.

**Payment or benefit to Directors of our Company**

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to our Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

**Remuneration paid to our Directors by our Subsidiary**

As on the date of this Draft Prospectus, our Subsidiary has not paid any remuneration to our Directors.

**Loans from Directors**

As on date of Draft Prospectus, our Company has not availed any loans from the Board of Directors.

**Shareholding of Directors in our Company**

Except as stated below, none of our other Directors holds any Equity Shares of our Company as on the date of filing of this Draft Prospectus:

| Sr. No. | Name of Director         | Number of Equity Shares | % of the pre-Issue Equity Share Capital |
|---------|--------------------------|-------------------------|---|
| 1.      | Aparna Morale Bangar     | 76,80,641               | 52.76                                   |
| 2.      | Nana Prakash Mhaske      | 3,05,000                | 2.06                                    |
| 3.      | Anant Pandurang Kulkarni | 3,05,000                | 2.06                                    |

**Shareholding of Directors in our Subsidiaries**

| Sr. No. | Name of Director          | Number of Equity Shares | % of the pre-Issue Equity Share Capital |
|---------|---------------------------|-------------------------|---|
| 1.      | Aparna Morale Bangar*     | 01                      | 0.01                                    |
| 2.      | Nana Prakash Mhaske*      | 01                      | 0.01                                    |
| 3.      | Anant Pandurang Kulkarni* | 01                      | 0.01                                    |

\*Nominee shareholders of Empyrean Cashews Limited

**Interest of our Directors**

Our Directors may be deemed to be interested to the extent of their remunerations paid to them for services rendered and with the reimbursement of expenses payable to them as mentioned above. For further details, please see section titled “*Terms of appointment*” beginning on page no. 120 of this Draft Prospectus.

Aparna Morale Bangar, Nana Prakash Mhaske and Anant Pandurang Kulkarni are the Promoters of our Company and may be deemed to be interested in the promotion of our Company to the extent they have promoted our Company. Except as stated above, our Directors have no interest in the promotion of our Company other than in the ordinary course of business.

Further, none of our directors have any interest in any property acquired by our Company within two (2) years of the date of this draft prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building.

Further, except as disclosed under sub-section titled ***“Shareholding of Directors in our Company”*** above, none of our Directors hold any Equity Shares, Preference Shares or any other form of securities in our Company. Our directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue. Our Managing Director and Chairperson, Aparna Morale Bangar is also a Director on the Board of Directors of our Group Company namely, SSBA Innovations Private Limited and our Executive Director and Chief Financial Officer and Executive Director and Chief Executive Office i.e., Anant Pandurang Kulkarni and Nana Prakash Mhaske respectively are the Directors on the Board of Directors of our Group Company Empyrean Specialty Sugar and Biomass Limited. Sunil Kumar Agarwal has been appointed as an independent director on the board of directors of our Subsidiary Siddhivinayak Cashew Industries Private Limited with effect from January 08, 2022. Except as disclosed in sections titled ***“Financial Information”***, ***Our Promoters and Promoter Group*** and ***Our Subsidiary*** on page 144, 135 and 115 respectively of the Draft Prospectus, our Directors are not interested in any other company, entity or firm.

Other than as stated above and except as stated in the sections titled ***“Financial Information”*** and ***Our Promoters and Promoter Group*** beginning on pages 144 and 135 respectively of this draft prospectus, our Directors do not have any other interest in the business of our Company.

None of the relatives of our directors have been appointed to a place or office of profit in our Company other than mentioned elsewhere in the Draft prospectus. For further details, please see sections titled ***Our Management – Terms of appointment of our Executive Directors*** beginning on page 120 of this draft prospectus.

Our directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of said Equity Shares held by them. Except as stated in section titled ***Our Management***, or the section titled ***Financial Information – Related Party Transactions*** beginning on page no 117 and 183 respectively of this draft prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoter, directors, partners, proprietors or trustees or karta or coparceners or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoter, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in sections titled ***Financial Information***, ***Our Promoters and Promoter Group*** and ***Our Subsidiary*** on page 144, 135 and 115 respectively of this Draft Prospectus, our Directors are not interested in any other company, entity or firm.

Except as disclosed in sections titled ***Financial Information*** and ***Financial Indebtedness*** on page 144 and 175 respectively in this Draft Prospectus, our Directors have not extended any personal guarantees for securing the repayment of the bank loans obtained by our Company.

#### **Interest as to property**

Our Promoter and Managing Director, Aparna Morale Bangar has also been provided a company owned residential property as rent free accommodation at 2102, Raj Grandeur, Hiranandani Garden, Powai, Mumbai 400076 as a part of the remuneration received by her.

Except as disclosed above, as on date of this Draft Prospectus, our Directors do not have any interest in any property acquired or proposed to be acquired by our Company or of our Company.

#### **Bonus or Profit Sharing Plan for our Directors**

None of our Directors are a party to any bonus or profit sharing plan.

#### **Changes in our Board during the last three years**

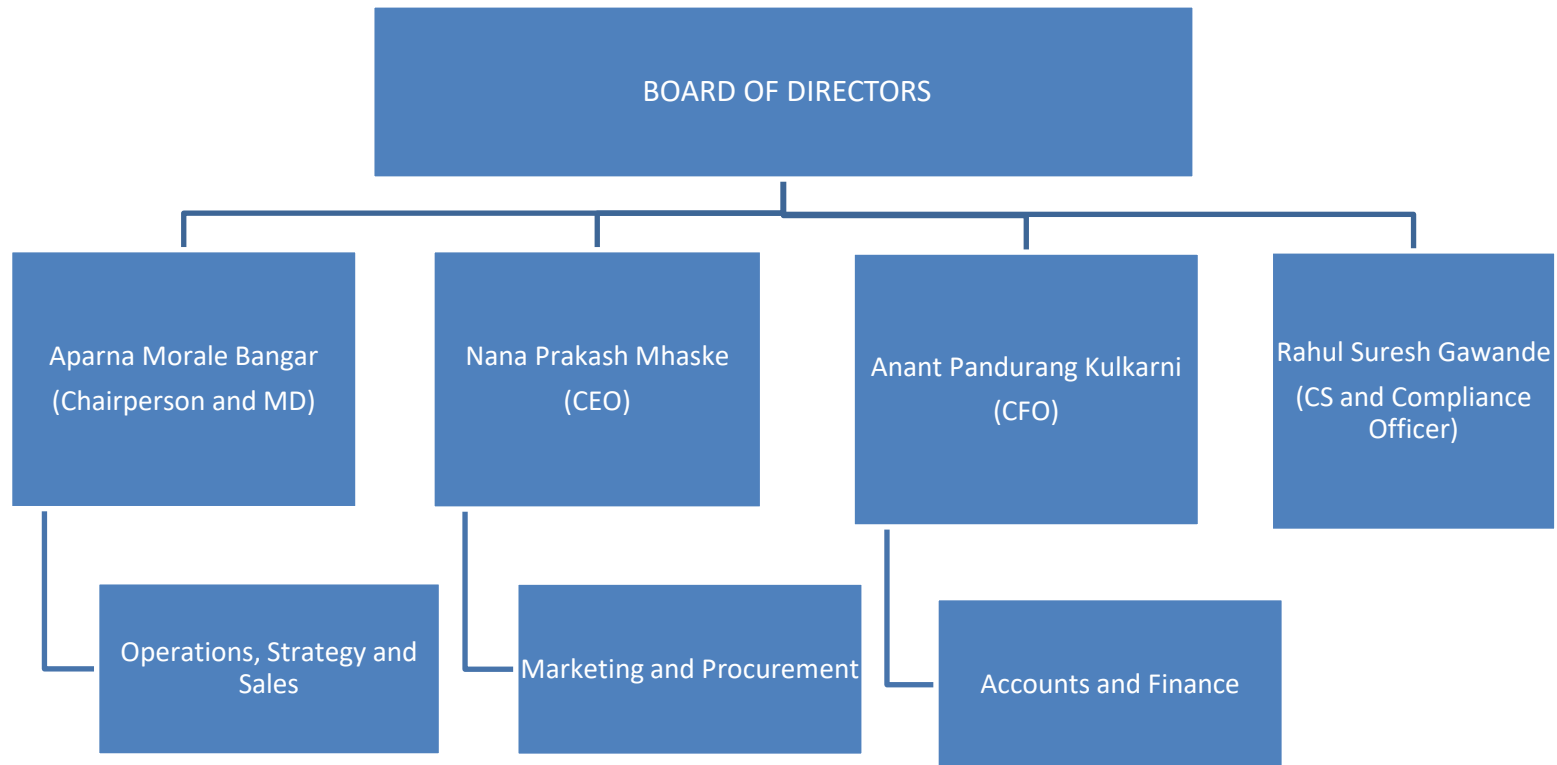
Except as disclosed below, there have been no changes in our Board during the last three years.

| <b>Name of Director</b>   | <b>Date of Appointment</b> | <b>Date of Cessation</b> | <b>Reason</b>   |
|---------------------------|----------------------------|--------------------------|---|
| Amol Arun Morale*         | June 17, 2019              | September 03 2021        | Appointment as Director                                       |
| Shailesh Jain             | August 06, 2021            | -                        | Appointed as an Additional Independent Non Executive Director |
| Neeraj Kulbhushan Taandon | August 06, 2021            | -                        | Appointed as an Additional Independent Non Executive Director |
| Sunil Kumar Agarwal       | October 01, 2021           | -                        | Appointed as an Additional Independent Non Executive Director |

*\*Amol Arun Morale, the erstwhile Director of our Company resigned from his post due to his other engagement. We confirm that there were no other reasons for his resignation from the post of a Director on the Board of Directors of our Company.*

## Management Organization Structure

Set forth is the management organization structure of our Company.





## Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

### Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee;
- c) Nomination and Remuneration Committee; and
- d) IPO Committee.

Details of each of these committees are as follows:

#### *a. Audit Committee*

Our Audit Committee was constituted on October 27, 2021 and with the following members forming a part of the said Committee:

| Sr. No. | Name of Members           | Designation |
|---------|---------------------------|-------------|
| 1.      | Shailesh Kumar Jain       | Chairman    |
| 2.      | Sunil Kumar Agarwal       | Member      |
| 3.      | Neeraj Kulbhushan Taandon | Member      |

The Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

#### *A. Powers of Audit Committee*

The Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

#### *b. Role of the Audit Committee*

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
  2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
  3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - a. 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;
    - b. Changes, if any, in accounting policies and practices and reasons for the same;
    - c. Major accounting entries involving estimates based on the exercise of judgment by management;
    - d. Significant adjustments made in the financial statements arising out of audit findings;
    - e. Compliance with listing and other legal requirements relating to financial statements;
    - f. Disclosure of any related party transactions; and
    - g. Qualifications in the draft audit report.
  5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Monitoring the end use of funds raised through public offers and related matters;
  8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  9. Approval of any subsequent modification of transactions of the company with related parties;
- Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the Accounting Standards.
10. Scrutiny of inter-corporate loans and investments;
  11. Valuation of undertakings or assets of the company, wherever it is necessary;
  12. Evaluation of internal financial controls and risk management systems;
  13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  14. 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;
  15. Discussion with internal auditors of any significant findings and follow up there on;
  16. 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;

17. 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;
18. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. 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 and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
22. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments, as may be applicable.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - Statement of deviations:
- a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
  - b. Annual statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

**c. Stakeholders' Relationship Committee**

Our Stakeholder' Relationship Committee was constituted on October 27, 2021. The members of the said Committee are as follows:

| Sr. No. | Name of Members          | Designation |
|---------|--------------------------|-------------|
| 1.      | Shailesh Kumar Jain      | Chairman    |
| 2.      | Sunil Kumar Agarwal      | Member      |
| 3.      | Neeraj KulbhushanTaandon | Member      |

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights of by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
5. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

#### ***d. Nomination and Remuneration Committee***

Our Nomination and Remuneration Committee was constituted on October 27, 2021 with the following members:

| <b>Sr. No.</b> | <b>Name of Member</b>     | <b>Designation</b> |
|----------------|---------------------------|--------------------|
| 1.             | Shailesh Kumar Jain       | Chairman           |
| 2.             | Sunil Kumar Agarwal       | Member             |
| 3.             | Neeraj Kulbhushan Taandon | Member             |

The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. 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;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. Recommend to the Board of Directors all remuneration, in whatever form, payable to senior management;
4. Devising a policy on Board diversity;

5. 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;
6. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
7. Evaluating the performance of the independent directors and on the basis of their performance evaluation recommending the Board of Directors and the members of the Company to extend or continue the term of appointment of the independent director; and
8. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

***e. IPO Committee***

Our IPO Committee was constituted pursuant to resolution of our Board of Directors dated December 24, 2021. The members of the said Committee are as follows

| <b>Sr. No.</b> | <b>Name of Member</b>    | <b>Designation</b> |
|----------------|--------------------------|--------------------|
| 1.             | Aparna Morale Bangar     | Chairperson        |
| 2.             | Anant Pandurang Kulkarni | Member             |

The Company Secretary shall act as the secretary of the IPO Committee.

The terms of reference of the IPO Committee include the following:

1. Approving amendments to the memorandum of association and the articles of association of the Company;
2. Approving all actions required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the “**CDSL**”) and the National Securities Depository Limited (the “**NSDL**”);
3. Finalizing and arranging for the submission of the Draft Prospectus and the Prospectus and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;
4. Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
5. Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;

6. Approving suitable policies, including on insider trading, whistle blower/vigil mechanism, risk management and other corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Offering;
7. Deciding on the size and all other terms and conditions of the and/or the number of Equity Shares to be offered in the Issue, including any rounding off in the event of any oversubscription as permitted under Applicable Laws;
8. Taking all actions as may be necessary or authorized in connection with the Offering;
9. Appointing and instructing the lead manager, syndicate members, market maker, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue and whose appointment is required in relation to the Issue, including any successors or replacements thereof;
10. Opening bank accounts, share/securities accounts or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with Applicable Laws;
11. Entering into agreements with, and remunerating all such lead manager, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, , accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, including any successors or replacements thereof, by way of commission, brokerage, fees or the like;
12. Seeking the listing of the Equity Shares on NSE Emerge, submitting listing application to the Stock Exchange and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreement with the Stock Exchange;
13. Seeking, if required, the consent of the Company's lenders and lenders of its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue;
14. Submitting undertaking/certificates or providing clarifications to the SEBI and the Stock Exchange;
15. Determining the price at which the Equity Shares are issued to investors in the Issue in accordance with Applicable Laws, in consultation with the lead manager and/or any other advisors, and determining the discount, if any, proposed to be issued to eligible categories of investors;
16. Determining the price band and minimum lot size for the purpose of bidding, any revision to the price band and the final Issue price after bid closure;
17. Determining the bid opening and closing dates;
18. Finalizing the basis of allocation of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in consultation with the lead manager, the Stock Exchanges and/or any other entity;
19. Opening with the bankers to the Issue, sponsor bank and other entities such accounts as are required under Applicable Laws;
20. To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;

21. Severally authorizing any directors, for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, desirable or expedient, in connection with the Issue, including, without limitation, engagement letters, memoranda of understanding, the listing agreement with the stock exchange, the registrar's agreement, the depositories' agreements, the issue agreement with the lead manager (and other entities as appropriate), the market making agreement with the market maker, the underwriting agreement, the syndicate agreement, the sponsor bank agreement, confirmation of allocation notes and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue, the lead manager, market maker, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;
22. Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, without limitation, applications to, and clarifications or approvals from the GoI, the RBI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officers and the Company, as the case may be;
23. Severally authorizing the Authorized Officers, for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officer may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be;
24. Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, without limitation, applications to, and clarifications or approvals from the GoI, the RBI, the SEBI, the RoC, and the Stock Exchange and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be; and
25. Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

### **Our Key Managerial Personnel**

In addition to our Managing Director, CFO and CEO whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Prospectus:

Rahul Suresh Gawande, aged 32 years, is the Company Secretary and Compliance Officer of our Company. He holds a master's degree in Commerce from Rashtrasant Tukadoji Maharaj Nagpur University and is an associate member of the Institute of Company Secretaries of India. He is responsible for handling secretarial matters of our Company and was appointed with effect from July 01, 2021.

All our Key Managerial Personnel are permanent employees of our Company.

### **Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel**

Except as disclosed under the heading “*Relationship between our Directors*”, none of the key managerial personnel are related to each other or to our Promoters or to any of our Directors.

### **Shareholding of the Key Managerial Personnel**

In addition to the shareholding of the Managing Director, CFO and CEO who are also our Directors as disclosed under the head “*Shareholding of Directors of our Company*”, our Key Managerial Personnel do not hold equity shares of our Company as on date of this Draft Prospectus.

### **Bonus or Profit Sharing Plan for our Key Managerial Personnel**

Our Company does not have a performance linked bonus or a profit-sharing plan for the Key Management Personnel. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel’s of our Company.

### **Payment or benefit to Key Managerial Personnel of our Company**

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Key Managerial Personnel except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel.

### **Interest of Key Managerial Personnel**

Except as disclosed in this Draft Prospectus, none of our Key Managerial Personnel’s have any interest in our Company other than to the extent of the remuneration, equity shares held by them, if any, or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

### **Changes in Key Managerial Personnel in the Last Three Years**

Set forth below, are the changes in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Draft Prospectus:

| <b>Name</b>              | <b>Designation</b>                     | <b>Date of change</b> | <b>Reason</b> |
|--------------------------|--|-----------------------|---------------|
| Ruchi Bagrecha           | Company Secretary                      | April 01, 2019        | Appointment   |
| Ruchi Bagrecha*          | Company Secretary                      | March 01, 2021        | Resignation   |
| Neha Chovatia            | Company Secretary                      | March 01, 2021        | Appointment   |
| Neha Chovatia            | Company Secretary                      | June 21, 2021         | Resignation   |
| Rahul Suresh Gawande     | Company Secretary & Compliance Officer | July 01, 2021         | Appointment   |
| Aparna Morale Bangar     | Managing Director                      | August 16, 2021       | Appointment   |
| Nana Prakash Mhaske      | Chief Executive Officer                | August 16, 2021       | Appointment   |
| Anant Pandurang Kulkarni | Chief Financial Officer                | August 16, 2021       | Appointment   |

\* Ruchi Bagrecha, the erstwhile Company Secretary of our Company resigned from her post due to other engagements. We confirm that there were no other reasons for her resignation from the post of a Company Secretary our Company.



The attrition of the key management personnel is as per the industry standards.

**Employees' Stock Option Plan**

As on date of this Draft Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

**Loans taken by Directors / Key Management Personnel**

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Draft Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

As on date of this Draft Prospectus, our Promoters hold, in aggregate of 82,90,641 Equity Shares, constituting of 56.99% of our pre-Issue, subscribed and paid-up equity share capital of our Company. For details of build-up of our Promoter's shareholding in our Company, please see section titled '*Capital Structure*' on page 49 of this Draft Prospectus.

### Details of our Promoters

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#### APARNA MORALE BANGAR



Aparna Morale Bangar, age 33, is the Promoter and Chairperson and Managing Director of our Company. For the details of her educational qualifications, experience, other directorships, positions/posts held in the past and special achievements, please see the section titled '*Our Management*' on page 117 of this Draft Prospectus

**Date of birth:** February 22, 1988

**Permanent account number:** AZTPM8726D

[REDACTED]

**Address:** Raj Grandeur A2102, Hiranandani Garden, Behind L H Hiranandani Hospital, Powai, Mumbai - 400076

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#### NANA PRAKASH MHASKE



Nana Prakash Mhaske, age 42, is the Promoter and Executive Director cum Chief Executive Officer of our Company. For details of his educational qualifications, experience, other directorships, positions/posts held in the past and special achievements, please see the section titled '*Our Management*' on page 117 of this Draft Prospectus.

**Date of birth:** February 19, 1979

**Permanent account number:** AJTPM6826A

[REDACTED]

**Address:** Flat No. 284, 203 A2, 2<sup>nd</sup> Floor, Elysian Baner Road, Baner, N.I.A. Pune, Maharashtra, 411045

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## ANANT PADNURANG KULKARNI

Anant Pandurang Kulkarni, age 40, is the Promoter and Executive Director and Chief Financial Officer of our Company. For the details of his educational qualifications, experience, other directorships, positions/posts held in the past and special achievements, please see the section titled '*Our Management*' on page 117 of this Draft Prospectus.

**Date of birth:** August 5, 1981

**Permanent account number:** ATKPK9335P

[REDACTED]

**Address:** Post 371/77, Kasba Peth, Kachari Road, Tal Barshi, Barshi, Solapur Maharashtra – 413401

### Other ventures of our Promoters

The ventures in which our Promoters are involved in are as follows:

#### a) Aparna Morale Bangar

| Name of the Venture                             | Nature of Interest   |
|---|--|
| Empyrean Healthcare Private Limited             | Director and shareholding of 25% of equity shares of the Company |
| Kuldew Technologies Private Limited             | Director   |
| SSBA Innovations Private Limited                | Director and shareholding of 3.15% of equity shares              |
| Siddhivinayak Cashew Industries Private Limited | Director and shareholding of 0.01% of equity shares              |

#### b) Nana Prakash Mhaske

| Name of the Venture                             | Nature of Interest   |
|---|--|
| Crazy Talkies Entertainment Private Limited     | Director and shareholding of 5% of equity shares of the company    |
| Empyrean Speciality Sugar and Biomass Limited   | Director and shareholding of 0.66% of equity shares of the company |
| Empyrean Healthcare Private Limited             | Director and shareholding of 25% of equity shares of the company   |
| Siddhivinayak Cashew Industries Private Limited | Director and shareholding of 0.01% of equity shares of the company |

#### c) Anant Pandurang Kulkarni

| Name of the Venture                           | Nature of Interest   |
|---|--|
| Crazy Talkies Entertainment Private Limited   | Director and shareholding of 5% of equity shares of the company    |
| Empyrean Speciality Sugar and Biomass Limited | Director and shareholding of 0.66% of equity shares of the company |
| Empyrean Healthcare Private Limited           | Director and shareholding of 25% of equity shares of the company   |

**Confirmation/Declaration**

Our Company confirms that the permanent account number, bank account number, passport number and Aadhar Card number of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Draft Prospectus with Stock Exchange.

**Corporate Promoter**

As on date of this Draft Prospectus, our Company does not have any corporate promoter.

**Change in control of our Company**

Our Promoters are the original promoters of our Company and the control of our Company has not been acquired during the five years immediately preceding this Draft Prospectus.

**Experience of our Promoters in the business of our Company**

For details in relation to experience of our Promoters in the business of our Company, please see section titled '**Our Management**' beginning on page 117 of this Draft Prospectus.

**Interest of our Promoter.***Interest in promotion of our Company*

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For details of shareholding and directorships of our Promoters please see section titled "**Our Management**", "**Capital Structure**" and "**Related Party Transactions**" beginning on page 117, 49 and 183 of this Draft Prospectus.

*Interest of Promoters in our Company other than as Promoter*

Our Promoters Aparna Morale Bangar, Nana Prakash Mhaske and Anant Pandurang Kulkarni are Directors of our Company therefore, may be deemed to considered interested to the extent of any remuneration payable to them in such capacity. Our Promoter Aparna Morale Bangar is the Director in Emphyrean Healthcare Private Limited and Siddhivinayak Cashew Industries Private Limited. Our Promoter Nana Prakash Mhaske is the director on the Board of Emphyrean Speciality Sugar and Biomass Limited, Emphyrean Healthcare Limited and Siddhivinayak Cashew Industries Private Limited. Our Promoter Anant Pandurang Kulkarni is the director on the Board of Emphyrean Speciality Sugar and Biomass Limited and Emphyrean Healthcare Limited.

Except as stated in sections titled '**Our Management**' and '**Related Party Transactions**' on pages 117 and 183 respectively, our Promoters does not have any interest in our Company other than as Promoter.

*Interest in the properties of our Company*

Our Promoter and Managing Director Aparna Morale Bangar has also been provided a company owned residential property as rent free accommodation at 2102, Raj Grandeur, Hiranandani Garden, Powai, Mumbai 400076 as a part of the remuneration received by her. Except as disclosed in this section, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of three (3) years before the date of this

Draft Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements

#### **Payment or benefits to our Promoters and Promoter Group during the last two years**

Except as stated in the section titled “*Financial Information –Related Party Transactions*” on page no 183 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.

#### **Litigations involving our Promoters**

For the details of legal and regulatory proceedings involving our Promoter, please see section titled ‘*Outstanding Litigation and Material Development*’ on page 205 of the Draft Prospectus.

#### **Guarantees**

Our Promoters have not given any guarantees to third parties in respect of our Company and Equity shares that are outstanding as of the date of filing of this Draft Prospectus.

#### **Details of Companies / Firms from which our Promoters have disassociated in the last three years**

As on date of this Draft Prospectus, our Promoters have not disassociated themselves from any company/firm during the three years preceding this Draft Prospectus.

#### **Our Promoter Group**

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

#### **Individuals forming part of the Promoter Group.**

| <b>Name of the Promoter</b> | <b>Name of the member of Promoter Group</b> | <b>Relationship with the Promoter</b> |
|-----------------------------|---|---------------------------------------|
| Aparna Morale Bangar        | Arun Morale                                 | Father                                |
|                             | Jyoti Morale                                | Mother                                |
|                             | Sujit Bangar                                | Spouse                                |
|                             | Amol Morale                                 | Brother                               |
|                             | Naresh Morale                               | Brother                               |
|                             | Madhura Morale                              | Sister                                |
|                             | Radha Bangar                                | Daughter                              |
|                             | Reeta Bangar                                | Daughter                              |
|                             | Sudhakar Bangar                             | Spouse's father                       |
|                             | Chhaya Bangar                               | Spouse's mother                       |
|                             | Abhijit Bangar                              | Spouse's brother                      |
|                             | Pranita Gaikwad                             | Spouse's sister                       |
|                             | Anita Jadhwar                               | Spouse's sister                       |
| Nana Prakash Mhaske         | Sudamati Mhaske                             | Mother                                |
|                             | Sawani Mhaske                               | Spouse                                |
|                             | Vanita Jadhav                               | Sister                                |
|                             | Jaya Londhe                                 | Sister                                |
|                             | Sangita Patekar                             | Sister                                |
|                             | Arya Mhaske                                 | Son                                   |

| Name of the Promoter     | Name of the member of Promoter Group | Relationship with the Promoter |
|--------------------------|--------------------------------------|--------------------------------|
| Anant Pandurang Kulkarni | Kartik Mhaske                        | Son                            |
|                          | Shobha Deshmukh                      | Spouse's mother                |
|                          | Paresh Deshmukh                      | Spouse's brother               |
|                          | Pandurang Kulkarni                   | Father                         |
|                          | Shilja Kulkarni                      | Mother                         |
|                          | Akhshada Kulkarni                    | Spouse                         |
|                          | Swati Bawkar                         | Sister                         |
|                          | Soham Kulkarni                       | Son                            |
|                          | Swarali Kulkarni                     | Daughter                       |
|                          | Mukund Deshpande                     | Spouse's father                |
|                          | Minakshi Deshpande                   | Spouse's mother                |
|                          | Mayur Deshpande                      | Spouse's brother               |
|                          | Mahesh Deshpande                     | Spouse's Brother               |

### Entities forming part of promoter group

Except as stated below, no other company, firm or HUF are forming part of the promoter group.'

| Sr. No. | Nature of Relationship   | Entity  |
|---------|--|---|
| 1.      | Any Body Corporate in which 20% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member | Empyrean Healthcare Private Limited* and Crazy Talkies Entertainment Private Limited# SSBA Innovations Private Limited^ |
| 2.      | Any Body Corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and   | Nil   |
| 3.      | Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;  | Nil   |

\*By virtue of shareholding of our Promoters Aparna Morale Bangar (25.00%), Nana Prakash Mhaske (25%) and Anant Pandurang Kulkarni (25.00%).

#By virtue of shareholding of Chhaya Bangar (90.00%)

^By virtue of shareholding of Sujit Bangar (35.86%)

### Other confirmations

None of our Promoters and members of the Promoter Group have been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoters, Promoter Group entities or Subsidiary have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.

## OUR GROUP COMPANIES

*In accordance with the SEBI ICDR Regulations, for the purpose of identification of 'group companies', our Company has considered (i) such companies (other than our Promoter and Subsidiaries) with which there were related party transactions during the period for which Audited Restated Financial Information have been disclosed in this Draft Prospectus, as covered under the applicable accounting standards; and (ii) any other companies which are considered material by our Board in accordance with the Materiality Policy.*

*In respect of point '(ii)' above, our Board in its meeting held on November 09, 2021 has considered and adopted the Materiality Policy, inter alia, for identification of companies that shall be considered material and shall be disclosed as a group company in this Draft Prospectus.*

Based on the parameters outlined above, our Company has one (2) group companies as on the date of this Draft Prospectus namely;

- i) SSBA Innovations Private Limited
- ii) Emphyrean Speciality Sugar and Biomass Limited

### **Details of our Group Companies**

#### **i) SSBA Innovations Private Limited ("SSBA")**

##### *Corporate Information*

SSBA was incorporated on August 14, 2017 with the Registrar of Companies, Mumbai at Maharashtra. The corporate identity number of SSBA is U74999MH2017PTC298565. Its registered office is situated at 1309, Lodha Supremus, Saki Vihar Road, Opposite MTNL Office, Powai, Mumbai, Maharashtra – 400 072, India. SSBA is a pioneer in technology-driven financial planning through artificial intelligence based platforms.

##### *Financial Performance*

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available on a standalone basis of SSBA, for the Fiscals 2019, 2020 and 2021, are available at <https://www.krishival.com/inv-fin-grp.html>.

#### **ii) Emphyrean Speciality Sugar and Biomass Limited. ("ESSBL")**

##### *Corporate Information*

ESSBL was incorporated on March 13, 2009 with the Registrar of Companies, Mumbai at Maharashtra. The corporate identity number of ESSBL is U15134MH2009PLC259925, its registered office is situated at F-57, APMC Market-I, Phase II, Sector-19 Vashi, Navi Mumbai, Thane, Maharashtra - 400705 India. ESSBL is involved in processing and trading of jaggery and other products.

##### *Financial Performance*

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available on a standalone basis of SSBA, for the Fiscals 2019, 2020 and 2021, are available at <https://www.krishival.com/inv-fin-grp.html>.

### **Litigations which have material impact on our Company**



For details with respect to litigation involving our Group Companies, please see section titled “***Outstanding Litigation and Material Developments***” on page 205.

#### **Nature and extent of interest of Group Companies**

Our Group Companies do not have any interest in the promotion of our Company.

SSBA Innovations Private Limited has paid monthly rent to our Company amounting to ₹ 0.28 Lakhs during Fiscal 2021 pursuant to the use of office space at the Registered Office of our Company.

Our Group Companies are not interested in any transactions for acquisition of plant, construction of building or supply of machinery, and objects of the issue. For details in relation to our related party transactions as per the requirements under Ind GAAP, please see the section titled “***Restated Financial Statements***” and section titled “- ***Related Party Transactions***” on page 144 and 183 respectively.

#### **Common Pursuits of the Group Companies and Our Companies**

As on date of this Draft Prospectus, our Group Companies are not engaged in the same line of business as our Company.

#### **Related Business Transactions within the group and significance on the financial performance of our Company**

Other than the transactions disclosed in the section titled “***Restated Financial Statements – Related Party Transactions***” on page 183 there are no other business transactions between our Company and Group Companies which are significant to the financial performance of our Company.

#### **Business interests or other interests**

Except as disclosed in section titled “***Related Party Transactions***” on page 183 our Group Company do not have any business interest in our Company.

#### **Other Confirmations**

Our Group Companies does not have any securities listed on a stock exchange.

There has been no related party transaction in with our Group Company Emphyrean Speciality and Sugar Biomass Limited after Fiscal 2019.

Further, our Group Company has not undertaken any public or rights issue of securities in the three years preceding the date of this Draft Prospectus.

## **DIVIDEND POLICY**

As on the date of this Draft Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013 together with the applicable rules issued thereunder.

Further, our shareholders may not expect dividend in certain circumstances including growth opportunities which require our Company to allocate a significant amount of capital, in the event of a higher working capital requirement for business operations or otherwise, inadequacy of cashflow available for distribution, inadequacy or absence of profits, utilization of surplus cash for buyback of securities or setting off previous year losses, prohibition to declare dividend by any regulatory body and other factors which may be considered relevant by the Board.

**SECTION V – FINANCIAL INFORMATION**

**RESTATED FINANCIAL INFORMATION**

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**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION**

To,  
**The Board of Directors,**  
**EMPYREAN CASHEWS LIMITED**  
1309, Lodha Supremus Powai,  
Saki Vihar Road, Opp. MTNL Office,  
Powai, Mumbai - 400072

Dear Sir,

1. We have examined the attached Restated Summary Statement along with the significant accounting policies and related notes of Empyrean Cashews Limited (the 'Company' of the "Issuer") comprising the Restated Statement of Assets and Liabilities as at October 31, 2021 and March 31, 2021, 2020 and 2019, the Restated Statements of Profit and Loss and the Restated Cash Flow Statement for the Seven month period ended October 31, 2021 and for the year ended March 31, 2021, 2020 and the Summary Statement of Significant Accounting Policies and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on February 03, 2022 for the purpose of inclusion in the Draft Prospectus ("DP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Prospectus to be filed with the National Stock Exchange of India Limited in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. The responsibility of the Board of Directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company comply with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 11, October 2021 in connection with the proposed IPO of equity shares of the Issuer;
  - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

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**223, North Ayad , Udaipur (Raj.) - 313001**  
**Ph : 0294- 2412842 (M) 9461388290 email: tamanna\_parmar@yahoo.co.in**

- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
- 4. These Restated Financial Information have been compiled by the management from:
  - a) audited special purpose interim financial statements of the Company as at and for the Seven-month period ended October 31, 2021 prepared in accordance with Indian Accounting Standard AS 34 "Interim Financial Reporting" issued by Institute of Chartered Accountants of India and other accounting principles generally accepted in India (the "Special Purpose Interim Financial Statements") which have been approved by the Board of Directors at their meeting held on February 03, 2022.
  - b) Re-audited financial statements of the Company as at and for the year ended March 31, 2021 prepared in accordance with Indian GAAP as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on [February 02, 2022].
  - c) audited financial statements of the Company as at and for the year ended March 31, 2020 and 2019 prepared in accordance with Indian GAAP as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 05, December 2020 and 27, September, 2019.
- 5. For the purpose of our examination, we have relied on:
  - a) the reports issued by us dated February 02, 2022 and February 02, 2022 on the financial statements of the Company as at and for the Seven month period ended October 31, 2021 and for financial year 2021 (re-audited) as referred in Paragraph 4 above;
  - b) the reports issued by the Previous Auditors dated 05, December 2020 and 27, September, 2019 on the financial statements of the Company as at and for the years ended March 31, 2020 and 2019, as referred in Paragraph 4 above.
- 6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
  - a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, 2020 and 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the Seven month period ended October 31, 2021;
  - b) do not require any adjustment for modification as there is no modification in the underlying audit reports; and
  - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

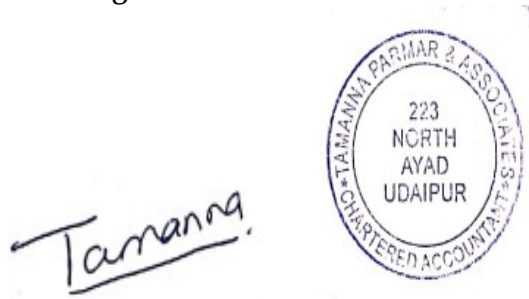
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Interim Financial Statements / audited financial statements mentioned in paragraph 4 above.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with National Stock Exchange of India Limited in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**THANKS, & REGARDS.**

**For Tamanna Parmar and Associates**

**Chartered Accountants**

**Firm Registration No. :014444C**



**CA Tamanna Parmar**


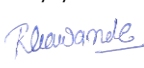



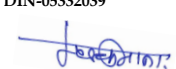

**Partner**

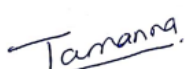



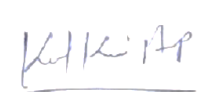
**Membership No: 409291**

**Place: Udaipur**

**Date:03/02/2022**

**UDIN :22409291AAMYHW9661**

| Annexure I   |                        |  |                      |                      |
|--|------------------------|--|----------------------|----------------------|
| <b>EMPYREAN CASHEWS LIMITED</b><br>1309, LODHA SUPREMUS POWAI, SAKI VIHAR ROAD<br>OPP MTNL OFFICE , POWAI , MUMABI 400072<br><b>SUMMARY OF FINANCIAL INFORMATION</b><br>The following tables set forth the summary financial information derived from the Restated Consolidated Financial Information as of and for the seven month period ended October , 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019. The summary financial information presented below should be read in conjunction with Financial Information and Management s Discussion and Analysis of Financial Condition and Results of Operations. |                        |  |                      |                      |
| STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED (Rs in Lakhs)   |                        |  |                      |                      |
| Assets   | As at October 31, 2021 | As at March 31, 2021   | As at March 31, 2020 | As at March 31, 2019 |
| <b>Equity and Liabilities</b>  |                        |  |                      |                      |
| <b>1. Equity</b>   |                        |  |                      |                      |
| Share capital  | 1,454.81               | 1,454.81   | 1,454.81             | 1,454.81             |
| Reserve & Surplus  | 655.82                 | 489.13   | 483.44               | 267.33               |
| <b>Total Shareholder's Fund</b>  | <b>2,110.63</b>        | <b>1,943.94</b>  | <b>1,938.25</b>      | <b>1,722.14</b>      |
| <b>2.Non-current liabilities</b>   |                        |  |                      |                      |
| a) Long Term Borrowings  | 835.11                 | 939.33   | 1,036.91             | 870.82               |
| b) Deferred Tax Liabilities (Net)  | 20.41                  | 30.87  | 27.01                | 27.05                |
| c) Other Long Term Liabilities   | -                      | -  | -                    | -                    |
| d) Long Term Provisions  | 7.28                   | 6.29   | 5.46                 | 3.11                 |
| <b>Total non-current liabilities</b>   | <b>862.80</b>          | <b>976.49</b>  | <b>1,069.38</b>      | <b>900.98</b>        |
| <b>3.Current liabilities</b>   |                        |  |                      |                      |
| a) Short Term Borrowings   | 317.32                 | 395.08   | 24.69                | -                    |
| b) Trade payables  |                        |  |                      |                      |
| (i) total outstanding dues of micro enterprises and small enterprises  |                        |  |                      |                      |
| (ii) total outstanding dues of creditors other than  | 217.16                 | 218.52   | 143.60               | 600.70               |
| c) Other Current liabilities   | 5.44                   | 11.85  | -                    | -                    |
| d) Short Term Provisions   | 93.87                  | 51.58  | 56.89                | 67.40                |
| <b>Total current liabilities</b>   | <b>633.79</b>          | <b>677.03</b>  | <b>225.18</b>        | <b>668.10</b>        |
| <b>Total Equity and liabilities</b>  | <b>3,607.22</b>        | <b>3,597.46</b>  | <b>3,232.81</b>      | <b>3,291.22</b>      |
| <b>Assets</b>  |                        |  |                      |                      |
| <b>1. Non-current assets</b>   |                        |  |                      |                      |
| (a) Property and equipment   | 1,388.33               | 1,412.10   | 1,544.73             | 1,648.32             |
| (b) Other non-current assets   | -                      | -  | -                    | -                    |
| (c) Long term loan & Advances  | 27.69                  | 29.17  | 46.60                | 32.32                |
| <b>Total non-current assets</b>  | <b>1,416.02</b>        | <b>1,441.27</b>  | <b>1,591.33</b>      | <b>1,680.64</b>      |
| <b>2. Current assets</b>   |                        |  |                      |                      |
| a) Current Investment  | 62.63                  | 62.63  | 1.67                 | 53.63                |
| b) Inventories   | 1,517.98               | 857.98   | 822.98               | 677.14               |
| c) Trade Receivables   | 260.13                 | 62.81  | 249.70               | 763.50               |
| d) Cash and Bank Balances  | 168.35                 | 127.73   | 36.63                | 41.50                |
| e) Short Term Loans & Advances   | 54.06                  | 956.89   | 378.83               | 17.54                |
| f) Other current assets  | 128.05                 | 88.15  | 151.67               | 57.27                |
| <b>Total current assets</b>  | <b>2,191.20</b>        | <b>2,156.19</b>  | <b>1,641.48</b>      | <b>1,610.58</b>      |
| <b>Total Assets</b>  | <b>3,607.22</b>        | <b>3,597.46</b>  | <b>3,232.81</b>      | <b>3,291.22</b>      |
| Notes on Accounts as per Notes No.1A<br>As per our Report of even date<br>For Tamanna Parmar and Associates<br>Chartered Accountants   |                        |  |                      |                      |
| For and on behalf of the Board of<br>Empyrean Cashews Limited  |                        |  |                      |                      |
| <br>CA Tamanna Parmar<br>Partner<br>Membership No. 409291<br>Reg No. :014444C<br>Dated : 03/02/2022<br><br>Rahul Suresh Gawande<br>Company Secretary : 49344   |                        |   <div> <br/>             Aparna Morale Bangar<br/>             Managing Director<br/>             DIN-05332039<br/> <br/>             Nana Prakash Mhaske<br/>             Chief Executive Officer<br/>             DIN-01911731<br/> <br/>             Anant Pandurang Kulkarni<br/>             Chief Finance Officer<br/>             DIN-01887356           </div> |                      |                      |

| Annexure II  |  |   |   |   |
|--|--|---|---|---|
| EMPYREAN CASHEWS LIMITED   |  |   |   |   |
| 1309, LODHA SUPREMUS POWAI, SAKI VIHAR ROAD<br>OPP MTNL OFFICE , POWAI , MUMABI 400072   |  |   |   |   |
| STATEMENT OF PROFIT AND LOSS , AS RESTATED   |  |   |   | (Rs in Lakhs )                          |
| Particulars  | For the seven<br>month period<br>ended 31, october<br>2021 | For the year<br>ended March 31,<br>2021   | For the year<br>ended March<br>31, 2020 | For the year<br>ended March<br>31, 2019 |
| <b>Income</b>  |  |   |   |   |
| Revenue from operations  | 2,684.59   | 2,813.14  | 4,394.95                                | 4,997.66                                |
| Other income   | 38.12  | 44.94   | 43.74                                   | 49.61                                   |
| <b>Total income</b>  | <b>2,722.71</b>  | <b>2,858.08</b>   | <b>4,438.69</b>                         | <b>5,047.27</b>                         |
| <b>Expenses</b>  |  |   |   |   |
| Cost of Mateial Purchase   | 2,483.58   | 1,967.25  | 3,002.16                                | 4,652.20                                |
| Changes in inventories of finished goods work-in-  | -660.00  | -35.00  | -145.84                                 | -623.60                                 |
| Employee benefits  | 87.69  | 142.88  | 237.14                                  | 225.30                                  |
| Finance costs  | 103.79   | 94.54   | 103.59                                  | 86.90                                   |
| Depreciation and amortization  | 86.24  | 168.13  | 180.02                                  | 184.85                                  |
| Others   | 409.72   | 417.99  | 932.60                                  | 416.37                                  |
| <b>Total expenses</b>  | <b>2,511.02</b>  | <b>2,755.80</b>   | <b>4,309.67</b>                         | <b>4,942.02</b>                         |
| <b>Profit/(Loss) before exceptional items, share of net<br/>profit/(losses) of investments accounted for using<br/>the equity method and tax</b>   | <b>211.69</b>  | <b>102.29</b>   | <b>129.02</b>                           | <b>105.25</b>                           |
| Share of loss of Investments accounted using equity<br>method (net)  |  | 0.00  | 0.00                                    | 0.00                                    |
| <b>(Loss)/profit before exceptional items and tax</b>  | <b>211.69</b>  | <b>102.29</b>   | <b>129.02</b>                           | <b>105.25</b>                           |
| Exceptional items  |  | 0.00  | 0.00                                    | 0.00                                    |
| <b>(Loss)/profit before tax</b>  | <b>211.69</b>  | <b>102.29</b>   | <b>129.02</b>                           | <b>105.25</b>                           |
| Tax expense:   |  |   |   |   |
| Current tax  | 55.46  | 31.69   | 33.46                                   | 26.60                                   |
| Deferred tax   | -10.46   | 3.86  | -0.04                                   | 13.70                                   |
| <b>Total tax expense</b>   | <b>45.00</b>   | <b>35.55</b>  | <b>33.42</b>                            | <b>40.30</b>                            |
| <b>Net (loss)/profit</b>   | <b>166.69</b>  | <b>66.74</b>  | <b>95.60</b>                            | <b>64.95</b>                            |
| <b>Earnings per equity share (nominal value of Rs.10<br/>each):</b>  |  |   |   |   |
| Basic  | 1.15   | 0.46  | 0.66                                    | 0.47                                    |
| Diluted  | 1.15   | 0.46  | 0.66                                    | 0.47                                    |
| Notes on Accounts as per Notes No.1A<br>As per our Report of even date<br>For Tamanna Parmar and Associates<br>Chartered Accountants   |  | For and on behalf of the Board of<br>Empyrean Cashews Limited   |   |   |
| <br>CA Tamanna Parmar<br>Partner<br>Membership No. 409291<br>Reg No. :014444C<br>Dated : 03/02/2022<br><br><br>Rahul Suresh Gawande<br>Company Secretary : 49344 |  | <br>Aparna Morale Bangar<br>Managing Director<br>DIN-05332039<br><br><br>Nana Prakash Mnasek<br>Chief Executive Officer<br>DIN-01911731<br><br><br>Anant Pandurang Kulkarni<br>Chief Finance Officer<br>DIN-01887356 |   |   |



| Annexure III   |   |                                   |                                   |                                   |
|--|---|-----------------------------------|-----------------------------------|-----------------------------------|
| EMPYREAN CASHEWS LIMITED   |   |                                   |                                   |                                   |
| 1309, LODHA SUPREMUS POWAI, SAKI VIHAR ROAD  |   |                                   |                                   |                                   |
| OPP MTNL OFFICE , POWAI , MUMABI 400072  |   |                                   |                                   |                                   |
| STATEMENT OF CASH FLOW, AS RESTATED (Rs in lakhs)  |   |                                   |                                   |                                   |
| Particulars  | For the Seven month period ended 31, October 2021 | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| <b>Cash flow from operating activities</b>   |   |                                   |                                   |                                   |
| (Loss)/profit After tax for the period/year  | 166.69  | 66.74                             | 95.60                             | 64.95                             |
| <b>Adjustments for:</b>  |   |                                   |                                   |                                   |
| Employee stock option scheme   |   |                                   | -                                 | -                                 |
| Depreciation and amortisation  | 86.24   | 168.13                            | 180.02                            | 179.52                            |
| Profit on sale/write off of property and equipment   |   | -                                 | -27.85                            | -1.05                             |
| Preliminary Expenses w/off   |   | -                                 | -                                 | 5.33                              |
| Provision for Gratuity   | 0.99  | 0.83                              | 2.35                              | 3.11                              |
| Allowance for doubtful debts   |   |                                   | -                                 | -                                 |
| Liabilities written back   |   |                                   | -                                 | -                                 |
| (Gain)/loss on exchange fluctuation (net)  | -21.57  | -15.71                            | -8.21                             | -                                 |
| Gain on sale of current investments (net)  |   |                                   | -                                 | -                                 |
| Fair value gain on financial instruments carried at fair value through profit or loss  |   |                                   | -                                 | -                                 |
| Rent income  | -2.27   | -6.18                             | -                                 | -                                 |
| Finance cost   | 103.79  | 92.33                             | 103.59                            | 18.72                             |
| Dividend income on current investments   |   |                                   | -                                 | -                                 |
| Exceptional item   |   |                                   | -                                 | -                                 |
| Current Tax  | 55.46   | 31.69                             | 33.46                             | 26.60                             |
| Deferred Tax   | -10.46  | 3.86                              | -0.04                             | 13.70                             |
| Share of loss of investments accounted using equity method   |   |                                   | 6.66                              | -                                 |
| <b>Operating profit before working capital changes</b>   |   |                                   |                                   |                                   |
| <b>Working capital adjustments:</b>  |   |                                   |                                   |                                   |
| Increase/(decrease) in trade payables  | -85.53  | 96.74                             | -457.10                           | 3,527.08                          |
| Increase in long-term provisions   |   |                                   |                                   |                                   |
| (Increase) in trade receivables  | 675.48  | -362.58                           | 513.78                            | -3,229.45                         |
| Decrease/(increase) in Inventories   | -660.00   | -35.00                            | -145.85                           | -623.60                           |
| Decrease/(Increase) in other bank OD   |   |                                   | -5.61                             |                                   |
| <b>Cash generated from operations</b>  |   |                                   |                                   |                                   |
| Direct taxes paid (net of refunds)   | -   | 24.57                             | 6.95                              |                                   |
| <b>Net cash generated from/(used in) operating activities (A)</b>  | <b>308.82</b>                                     | <b>16.28</b>                      | <b>283.85</b>                     | <b>-15.09</b>                     |
| <b>Cash flow from investing activities</b>   |   |                                   |                                   |                                   |
| Purchase of property and equipment, intangible assets including intangible under development   | -62.47  | -35.49                            | -182.23                           | -18.15                            |
| Proceeds from sale of property and equipment   |   |                                   | 135.89                            | -                                 |
| Acquisition of associates  |   |                                   | -                                 | -                                 |
| Net cash acquired on acquisition   |   |                                   |                                   |                                   |
| Acquisition of shares from non-controlling interest  |   |                                   |                                   | 125.00                            |
| sale of investment shares  |   |                                   | 45.41                             |                                   |
| Rent income  | 2.27  | 6.18                              |                                   |                                   |
| Purchase of non-current investments  |   |                                   |                                   |                                   |
| Profit in investment   |   |                                   |                                   | 1.05                              |
| Purchase of current investments  |   |                                   |                                   |                                   |
| Investment in Partnership firm   | -   | -60.96                            | -0.10                             |                                   |
| Proceeds from disposal of non-current investments  |   |                                   |                                   |                                   |
| Proceeds from redemption/maturity of current investments   |   |                                   |                                   |                                   |
| Investment in bank deposits  |   |                                   |                                   |                                   |
| Redemption/maturity of bank deposits   |   |                                   |                                   |                                   |
| Interest received on investments   |   |                                   |                                   |                                   |
| Dividend income received   |   |                                   |                                   |                                   |
| <b>Net cash flow generated from/(used in) investing activities (B)</b>   | <b>-60.20</b>                                     | <b>-90.27</b>                     | <b>-1.03</b>                      | <b>107.90</b>                     |
| <b>Cash flow from financing activities</b>   |   |                                   |                                   |                                   |
| Short term loan availed  | -   | 95.76                             | -256.71                           | -199.53                           |
| Long term borrowing  | -104.21   | 248.35                            | 642.44                            | 613.37                            |
| Long Principal repaid  | -   | -71.33                            | -560.18                           | -704.06                           |
| Interest paid  | -103.79   | -92.33                            | -103.59                           | -18.72                            |
| Dividend paid on equity shares   |   | -15.36                            | -9.64                             | -                                 |
| <b>Net cash generated from financing activities (C)</b>  | <b>-208.00</b>                                    | <b>165.09</b>                     | <b>-287.68</b>                    | <b>-308.94</b>                    |
| <b>Net increase in cash and cash equivalents (A)+(B)+(C)</b>   | <b>40.62</b>                                      | <b>91.10</b>                      | <b>-4.86</b>                      | <b>-216.13</b>                    |
| Cash and cash equivalents at the beginning of the period   | 127.73  | 36.63                             | 41.50                             | 257.63                            |
| Effect of exchange differences on cash & cash equivalents held in foreign currency   |   | -                                 | -                                 | -                                 |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>168.35</b>                                     | <b>127.73</b>                     | <b>36.63</b>                      | <b>41.50</b>                      |
| <b>Cash and cash equivalents as per above comprises of the following:</b>  |   |                                   |                                   |                                   |
| Cash in hand   | 2.48  | 36.18                             | 11.44                             | 1.93                              |
| Balances with bank   |   |                                   |                                   | -                                 |
| Deposit with original maturity of less than 3 months   | 165.87  | 91.55                             | 25.19                             | 39.57                             |
| <b>Total cash and cash equivalents</b>   | <b>168.35</b>                                     | <b>127.73</b>                     | <b>36.63</b>                      | <b>41.50</b>                      |
| <p>Notes on Accounts as per Notes No.1A<br/>As per our Report of even date<br/>For Tamanna Parmar and Associates<br/>Chartered Accountants</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>CA Tamanna Parmar<br/>Partner<br/>Membership No. 409291<br/>Reg No. :014444C<br/>Dated : 03/02/2022</p> <p>Rahul Suresh Gawande<br/>Company Secretary : 49344</p> </div> <div style="width: 45%; text-align: right;"> <p>For and on behalf of the Board of<br/>Empyrean Cashews Limited</p> <p>Aparna Morale Bangar<br/>Managing Director<br/>DIN-05332039</p> <p>Nana Prakash Mhaske<br/>Chief Executive Officer<br/>DIN-01911731</p> <p>Anant Pandurang Kulkarni<br/>Chief Finance Officer<br/>DIN-01887356</p> </div> </div> |   |                                   |                                   |                                   |

**EMPYREAN CASHEWS LIMITED**  
**1309, LODHA SUPREMUS POWAI,**  
**SAKI VIHAR ROAD, OPP. MTNL OFFICE,**  
**POWAI Mumbai City MH 400072 IN**

**ANNEXURE IV**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**1. Corporate Information**

Incorporated in March 2014, EMPYREAN CASHEWS LIMITED ("The Company"), is engaged in the business of Manufacturing of Cashews

**2. Basis of Preparation**

The Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP). Financial statements are based on historical costs. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of the money.

The Company generally follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except significant uncertainties.

GAAP comprises mandatory accounting standards as prescribed under section 133 of Companies Act, 2013 ('the Act') read with Rule 7 of companies (Accounts) Rule 2014, the provisions of the act (to the extent notified).

**3. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Revenue from sale of goods or Services**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

**Revenue from Investment**

Dividend income is accounted for in the year in dividend is declared and right to receive is established as per Accounting India Standard 9 on "Revenue Recognition" issued by the Institute of Chartered Accountants of (ICAI)

#### **4. Segment Reporting**

The Company at present is engaged in the business of Manufacturing of Cashews, which constitutes a single business segment. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS -17 are not applicable to the Company.

#### **5. Use of estimates**

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision in accounting estimates is recognised properly in current and future periods

#### **6. Current/ non-current classification**

All assets and liabilities are classified into current and non-current as follows:

##### **Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within 12 months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

##### **Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

## **7. Property Plant and Equipment**

### **Tangible assets**

Property, plant and equipment are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of Property, plant and equipment comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures 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. Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

### **Depreciation**

Depreciation on tangible assets is provided on written down value (WDV) at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013.

### **Impairment**

In accordance with AS 28 – Impairment of Assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. For assets in respect of which any such indication exists, the asset's recoverable amount is estimated, at higher of the net selling price and the 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. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reinstated at the recoverable amount subject to a maximum of depreciable historical cost.

## **8. Foreign currency transactions**

### **Initial recognition**

Transactions in foreign currency are recorded in the reporting currency by applying to the foreign currency amount the exchange rate prevailing on the date of the transaction.

### **Subsequent recognition**

Monetary items denominated in foreign currency as at the balance sheet date are converted at the exchange rate prevailing on that date.

## **9. Inventories**

Inventories are valued at lower of cost or net realisable value. Cost includes freight and other related incidental expenses net of recoverable duties and taxes, if any and is arrived at on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost to affect the sale.

## **10. Income Taxes**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to/ recovered from the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

### **Minimum alternate tax**

Minimum alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## **11. Earing Per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

## **12. Contingent liabilities and provisions**

The Company Does not have present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the account of the obligation can be made.

## **13. Gratuity & Retirement Benefits :**

### **i. Defined contribution plan**

Retirement benefits in the form of Provident Fund, Pension Fund and Employees State Insurance Fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the period when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

### **ii. Defined benefit plan**

Gratuity liability for eligible employees is defined benefit obligation and is provided on the basis of Actuarial valuation.

### **iii. Leave encashment**

The Company does not have any leave encashment policy and all the unutilized leaves lapse at the end of the year.

## **14. Cash flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a 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 based on the available information.

## **15. Prior Period Items**

Expenses relating to earlier period are debited to profit and loss account, if any. As per information and explanation and records kept by the company, the amount of such expenses and incomes are not fully quantifiable.

| EMPYREAN CASHEWS LIMITED   |                           |              |                         |              |                      |              |                      |              |
|--|---------------------------|--------------|-------------------------|--------------|----------------------|--------------|----------------------|--------------|
| Annexure-V   |                           |              |                         |              |                      |              |                      |              |
| SHARE CAPITAL  |                           |              |                         |              |                      |              |                      |              |
| Particulars  | As at October 2021        |              | As at 31 March, 2021    |              | As at 31 March, 2020 |              | As at 31 March, 2019 |              |
|  | Number of shares          | Rs           | Number of shares        | Rs           | Number of shares     | Rs           | Number of shares     | Rs           |
| (a) Authorised   |                           |              |                         |              |                      |              |                      |              |
| Divided into 1,50,00,000 Shares of 10 Each   | 150.00                    | 150.00       | 150.00                  | 1,500.00     | 150.00               | 1,500.00     | 150.00               | 1,500.00     |
| Total  | 150.00                    | 150.00       | 150.00                  | 1,500.00     | 150.00               | 1,500.00     | 150.00               | 1,500.00     |
| (b) Issued,Subscribed and fully paid up  |                           |              |                         |              |                      |              |                      |              |
| Equity shares of ` 14548141 each with voting right   | 145.48                    | 1,454.81     | 145.48                  | 1,454.81     | 145.48               | 1,454.81     | 145.48               | 1,454.81     |
| Total  | 145.48                    | 1,454.81     | 145.48                  | 1,454.81     | 145.48               | 1,454.81     | 145.48               | 1,454.81     |
| A) Reconciliation Of Number Of Shares Outstanding At Beginning And At End Of Year  |                           |              |                         |              |                      |              |                      |              |
| Equity Shares  | As at October 2021        |              | As at 31 December, 2021 |              | As at 31 March, 2020 |              | As at 31 March, 2019 |              |
|  | Number of shares          | Rs           | Number of shares        | Rs           | Number of shares     | Rs           | Number of shares     | Rs           |
| At the Beginning of the year   | 145.48                    | 1,454.81     | 145.48                  | 1,454.81     | 145.48               | 1,454.81     | 99.48                | 994.81       |
| Add: Issued during the year  | 0.00                      | 0.00         | 0.00                    | 0.00         | 0.00                 | 0.00         | 46.00                | 460.00       |
| Outstanding at the end of year   | 145.48                    | 1,454.81     | 145.48                  | 1,454.81     | 145.48               | 1,454.81     | 145.48               | 1,454.81     |
| B) Details Of Shareholders Holding Equity Shares In The Company  |                           |              |                         |              |                      |              |                      |              |
| NAME   | As at October 2021        |              | As at 31 March, 2021    |              | As at 31 March, 2020 |              | As at 31 March, 2019 |              |
|  | Number of shares          | %            | No of Shares            | %            | No of Shares         | %            | No of Shares         | %            |
| Anant Pandurang Kulkarni   | 3.05                      | 2.10         | 3.05                    | 2.10         | 3.05                 | 2.10         | 3.05                 | 2.10         |
| Aparna Sujit Bangar  | 76.81                     | 52.79        | 76.81                   | 52.79        | 0.05                 | 0.03         | 0.05                 | 0.03         |
| Vijayabai Chandrakantrao Mankoskar   | 6.48                      | 4.45         | 6.48                    | 4.45         | 6.48                 | 4.45         | 0.00                 | 0.00         |
| Dr.Sudhakar Bangar   | -                         | -            | -                       | -            | -                    | -            | 6.48                 | 4.45         |
| M/s Empyrean Enviro  | -                         | -            | -                       | -            | 76.76                | 52.76        | 76.76                | 52.76        |
| Nana Prakash Mhaske  | 3.05                      | 2.10         | 3.05                    | 2.10         | 3.05                 | 2.10         | 3.05                 | 2.10         |
| Rasik Kunkulol   | 2.00                      | 1.37         | 2.00                    | 1.37         | 2.00                 | 1.37         | 2.00                 | 1.37         |
| Sakshu Vashist   | 0.10                      | 0.07         | 0.10                    | 0.07         | 0.10                 | 0.07         | 0.10                 | 0.07         |
| Swati Atul Rege  | 0.50                      | 0.34         | 0.50                    | 0.34         | 0.50                 | 0.34         | 0.50                 | 0.34         |
| Syed Jafar Islam   | 51.00                     | 35.06        | 51.00                   | 35.06        | 51.00                | 35.06        | 51.00                | 35.06        |
| Talisman Securities Private Limited  | 2.50                      | 1.72         | 2.50                    | 1.72         | 2.50                 | 1.72         | 2.50                 | 1.72         |
| TOTAL  | 145.48                    | 100.00       | 145.48                  | 100.00       | 145.48               | 100.00       | 145.48               | 100.00       |
| Details of Shareholders holding more than 5% shares  |                           |              |                         |              |                      |              |                      |              |
| Particular   | Period Ended October 2021 |              | Year Ended March 31,    |              |                      |              |                      |              |
|  |                           |              | 2021                    |              | 2020                 |              | 2019                 |              |
|  | No of Shares              | % of Holding | No of Shares            | % of Holding | No of Shares         | % of Holding | No of Shares         | % of Holding |
| M/s Empyrean Enviro  | -                         | -            | -                       | -            | 76.76                | 53%          | 76.76                | 53%          |
| Syed Jafar Islam   | 51.00                     | 35%          | 51.00                   | 35%          | 51.00                | 35%          | 51.00                | 35%          |
| Aparna Sujit Bangar  | 76.81                     | 53%          | 76.81                   | 53%          | 0.05                 | 0.03%        | 0.05                 | 0.03%        |
| Total  | 127.81                    | 88%          | 127.81                  | 88%          | 127.81               | 88.03%       | 127.81               | 88.03%       |
| Terms, Rights, preferences and restrictions attached to shares:  |                           |              |                         |              |                      |              |                      |              |
| Terms and rights attached to equity shares   |                           |              |                         |              |                      |              |                      |              |
| i. The company has issued only one class of equity share having a face value of ₹ 10 per share. Each holder of equity shares is entitled to vote per share. The company declares and pays dividend if any, in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. |                           |              |                         |              |                      |              |                      |              |
| ii. 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.                                     |                           |              |                         |              |                      |              |                      |              |
| iii. 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>EMPYREAN CASHEWS LIMITED</b>          |                           |                              |               |               |
|--|---------------------------|------------------------------|---------------|---------------|
| <b>Annexure-VI</b>                       |                           |                              |               |               |
| <b>STATEMENT OF RESERVES AND SURPLUS</b> |                           |                              |               |               |
| Particulars                              | Period Ended October 2021 | For the Year Ended 31 March, |               |               |
|  |                           | 2021                         | 2020          | 2019          |
| <b>Surplus</b>                           |                           |                              |               |               |
| Opening balance                          | 489.13                    | 483.44                       | 267.33        | 198.33        |
| Add: Transfers from Profit & Loss A/c    | 166.69                    | 66.74                        | 95.60         | 64.95         |
| Add/(Less): Stock Reserve                |                           | -                            | -             | -2.45         |
| Add/(Less): Adjustment                   |                           | -61.05                       | 120.52        | 36.64         |
| Less: Proposed Dividend (Included DDT)   | -                         | -                            | -             | -30.14        |
| Closing Balance                          | <b>655.82</b>             | <b>489.13</b>                | <b>483.44</b> | <b>267.33</b> |



**EMPYREAN CASHEWS LIMITED**
**STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

| Particulars                                      | Period Ended October 2021 | For the Year Ended 31 March, |                 |               |
|--|---------------------------|------------------------------|-----------------|---------------|
|  |                           | 2021                         | 2020            | 2019          |
| <b>Secured Loan</b>                              |                           |                              |                 |               |
| PNB Housing Loan A/c                             | 556.59                    | 565.18                       | 573.52          | 589.11        |
| (Secured by Mortgage of Guest House of Company ) |                           |                              |                 |               |
| ICICI Bank Loan A.c                              | 2.67                      | 7.00                         | 11.96           | 18.39         |
| (Secured by Hypothication of Car )               | -                         |                              |                 |               |
| RBL Term Loan                                    |                           |                              | 193.91          | 199.53        |
| Loan from Icici Bank                             |                           | -                            | 27.99           |               |
| Axis Auto Loan                                   | 35.83                     | 41.06                        | 46.39           |               |
|  |                           |                              |                 |               |
| <b>Unsecured Loan</b>                            |                           |                              |                 |               |
| Unsecured Loan                                   | 240.02                    | 326.09                       | 183.14          | 63.79         |
|  |                           |                              |                 |               |
|  | <b>835.11</b>             | <b>939.33</b>                | <b>1,036.91</b> | <b>870.82</b> |

**For The Detailed Terms About Secured and Unsecured Loan**

| Lender                                | Type of Facility    | Loan Currency | Amount outstanding as at 31st October 2021 | Rate of Interest | Repayment Terms  | Maturity Perored            |
|---------------------------------------|---------------------|---------------|--|------------------|--|-----------------------------|
| AXIS AUTO LOAN                        | secured Term Loan   | INR           | 35.83                                      | 9.05%            | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Wednesday, January 1, 2025  |
| ICICI AUTO LOAN                       | secured Term Loan   | INR           | 2.67                                       | 9.50%            | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Tuesday, March 1, 2022      |
| PNB HOUSING LOAN                      | secured Term Loan   | INR           | 556.59                                     | 9.32%            | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Friday, December 10, 2038   |
| EDELWEISS RETAIL FINANCE LIMITED      | Unsecured Term Loan | INR           | 18.59                                      | 16.50%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Wednesday, March 1, 2023    |
| HDFC BANK LTD                         | Unsecured Term Loan | INR           | 33.65                                      | 14.50%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Friday, March 1, 2024       |
| HERO FINANCE CORP LIMITED             | Unsecured Term Loan | INR           | 16.19                                      | 16.50%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Thursday, September 1, 2022 |
| IDFC BANK LTD                         | Unsecured Term Loan | INR           | 26.01                                      | 15.00%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Thursday, September 1, 2022 |
| MGMA FNCORP LTD                       | Unsecured Term Loan | INR           | 13.14                                      | 21.00%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Saturday, October 1, 2022   |
| MONEY WISE FINANCIAL SERVICES PVT LTD | Unsecured Term Loan | INR           | 43.51                                      | 17.00%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Friday, March 1, 2024       |
| RBL BANK LTD                          | Unsecured Term Loan | INR           | 22.42                                      | 15.50%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Saturday, July 1, 2023      |
| ICICI BANK LOAN                       | Unsecured Term Loan | INR           | 50.52                                      | 9.50%            | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Tuesday, March 5, 2024      |

**EMPYREAN CASHEWS LIMITED****Annexure- VIII****STATEMENT OF DEFERRED TAX LIABILITIES, AS RESTATED**

| Particulars   | Period Ended October 2021 | For the Year Ended 31 March, |        |       |
|---|---------------------------|------------------------------|--------|-------|
|   |                           | 2021                         | 2020   | 2019  |
| <b>Deferred Tax Liability (Net)</b>                                       |                           |                              |        |       |
| Opening Balance   | 30.87                     | 27.01                        | 27.05  | 13.35 |
| Add: Deferred Tax Liabilities arising on account of temporary differences | (10.46)                   | 3.86                         | (0.04) | 13.70 |
| Closing Balance   | 20.41                     | 30.87                        | 27.01  | 27.05 |

**Annexure- IX****STATEMENT OF LONG TERM PROVISIONS AS RESTATED**

| Particulars      | Period Ended October 2021 | For the Year Ended 31 March, |             |             |
|------------------|---------------------------|------------------------------|-------------|-------------|
|                  |                           | 2021                         | 2020        | 2019        |
| Gratuity Payable | 7.28                      | 6.29                         | 5.46        | 3.11        |
|                  | <b>7.28</b>               | <b>6.29</b>                  | <b>5.46</b> | <b>3.11</b> |

| EMPYREAN CASHEWS LIMITED                        |                           |                              |  |                  |  |                          |
|---|---------------------------|------------------------------|--|------------------|--|--------------------------|
| Annexure- X                                     |                           |                              |  |                  |  |                          |
| STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED |                           |                              |  |                  |  |                          |
| Particulars                                     | Period Ended October 2021 | For the Year Ended 31 March, |  |                  |  |                          |
|   |                           | 2021                         | 2020                                       | 2019             |  |                          |
| Bajaj Finance Limited                           |                           | -                            | 2.22                                       |                  |  |                          |
| INDUSIND BUSINESS LOAN                          |                           | -                            | 17.05                                      |                  |  |                          |
| Tata Capital                                    |                           | 40.40                        | 5.42                                       |                  |  |                          |
| Axis bank CC                                    | 290.79                    | 289.68                       | -  |                  |  |                          |
| Aditya Birla Capital                            | 13.43                     | 35.00                        | -  | -                |  |                          |
| Fedbank Financial Seviles Limited               | 13.10                     | 30.00                        | -  | -                |  |                          |
| Total   | 317.32                    | 395.08                       | 24.69                                      | -                |  |                          |
| For The Detailed Terms                          |                           |                              |  |                  |  |                          |
| Lender  | Type of Facility          | Loan Currency                | Amount outstanding as at 31st October 2021 | Rate of Interest | Repayment Terms  | Maturity Perored         |
| ADITYA BIRLA CAPITAL                            | Unsecured Term Loan       | INR                          | 13.43                                      | 18.54%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Tuesday, April 5, 2022   |
| FED BANK FINANCIAL SERVICE LIMITED              | Unsecured Term Loan       | INR                          | 13.10                                      | 16.50%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Wednesday, March 2, 2022 |
| Annexure XI                                     |                           |                              |  |                  |  |                          |
| STATEMENT OF TRADE PAYABLE, AS RESTATED         |                           |                              |  |                  |  |                          |
| Particulars                                     | Period Ended October 2021 | For the Year Ended 31 March, |  |                  |  |                          |
|   |                           | 2021                         | 2020                                       | 2019             |  |                          |
| Micro and Small Enterprises                     |                           |                              |  |                  |  |                          |
| Others  |                           |                              |  |                  |  |                          |
| Local Creditors                                 | 181.63                    | 11.02                        |  |                  |  |                          |
| Import Creditors                                | 35.53                     | 35.53                        |  |                  |  |                          |
| RCN Creditors                                   |                           | 171.08                       |  |                  |  |                          |
| Other Creditors                                 |                           | 0.89                         | 143.60                                     | 600.70           |  |                          |
| Total   | 217.16                    | 218.52                       | 143.60                                     | 600.70           |  |                          |

**EMPYREAN CASHEWS LIMITED****Annexure XII****STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

| Particulars                                | Period Ended October 2021 | For the Year Ended 31 March, |          |          |
|--|---------------------------|------------------------------|----------|----------|
|  |                           | 2021                         | 2020     | 2019     |
| Statutory Dues Payables                    |                           |                              |          | -        |
| Current maturities of long-term debts      |                           |                              |          | -        |
| Interest accrued but not due on borrowings |                           |                              |          | -        |
| Expenses & Salary payable                  | 5.44                      | 11.85                        |          | -        |
| Advance from customers                     |                           |                              |          | -        |
| <b>Total</b>                               | <b>5.44</b>               | <b>11.85</b>                 | <b>-</b> | <b>-</b> |

**Annexure XIII****STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

| Particulars               | Period Ended October 2021 | For the Year Ended 31 March, |              |              |
|---------------------------|---------------------------|------------------------------|--------------|--------------|
|                           |                           | 2021                         | 2020         | 2019         |
| Commission payable        |                           |                              |              | 12.85        |
| Duties & Taxes            | 3.38                      | 17.64                        | 8.07         | 22.91        |
| Proposed Dividend         | -                         | -                            | 15.36        | 25.00        |
| Dividend Distribution Tax | 88.99                     | 33.54                        | 33.46        | 5.14         |
| Provision for Audit       | 1.50                      | 0.40                         |              | 1.50         |
| <b>Total</b>              | <b>93.87</b>              | <b>51.58</b>                 | <b>56.89</b> | <b>67.40</b> |

**Annexure XIV****STATEMENT OF CONTINGENT LIABILITIES RESTATED**

| Particulars   | Period Ended October 2021 | For the Year Ended 31 March, |       |       |
|---|---------------------------|------------------------------|-------|-------|
|   |                           | 2021                         | 2020  | 2019  |
| <b>Contingent liabilities in respect of:</b>  |                           |                              |       |       |
| 1. Claims against the company not acknowledged as debts   | 25.76                     | 25.76                        | 25.76 | 25.76 |
| 2. Guarantees given on Behalf of the Company  | -                         | -                            | -     | -     |
| 3. Other moneys for which the company is contingently liable                                      | -                         | -                            | -     | -     |
| 4. Estimated amount of contracts remaining to be executed on capital account and not provided for | -                         | -                            | -     | -     |
| 5. Uncalled liability on shares and other investments partly paid                                 | -                         | -                            | -     | -     |

**EMPYREAN CASHEWS LIMITED**
**Annexure-XV**
**Property, Plant and equipment**
**Fixed assets & Depreciation calculation as per companies Act for the year ended 31st March 2021**

| Sr No | Block of Assets                   | Rate of Depreciation | Gross Block      |              |            | Depreciation    |   |                           |                               | Net Block                                       |                        |                       |
|-------|-----------------------------------|----------------------|------------------|--------------|------------|-----------------|---|---------------------------|-------------------------------|---|------------------------|-----------------------|
|       |                                   |                      | As on 01.04.2021 | Additions    | Deductions | Total           | Accumulated Depreciation upto 31.3.2021 | Depreciation for the Year | Depreciation on Sale of Asset | Total Accumulated Depreciation As on 30.10.2021 | W.D.V As on 30.10.2021 | W.D.V As on 31.3.2021 |
| I     | <b><u>Tangible Assets:</u></b>    |                      |                  |              |            |                 |   |                           |                               |   |                        |                       |
| 1     | Building (Factory)                | 9.50%                | 174.84           | -            | -          | 174.84          | 38.65                                   | 7.59                      | -                             | 46.24   | 128.60                 | 136.19                |
| 2     | Building (Other Than Factory)     | 4.87%                | 1,067.69         | -            | -          | 1,067.69        | 214.79                                  | 24.35                     | -                             | 239.14  | 828.55                 | 852.90                |
| 3     | Furniture                         | 25.89%               | 156.85           | -            | -          | 156.85          | 98.76                                   | 8.82                      | -                             | 107.58  | 49.27                  | 58.09                 |
| 4     | Machinery & Plant- Machinery      | 18.10%               | 567.60           | 62.47        | -          | 630.07          | 261.73                                  | 34.25                     | -                             | 295.98  | 334.09                 | 305.87                |
| 5     | Machinery & Plant - Vehicle       | 31.23%               | 153.27           | -            | -          | 153.27          | 96.47                                   | 10.40                     | -                             | 106.87  | 46.40                  | 56.80                 |
| 6     | Computer & Software               | 63.16%               | 14.05            | -            | -          | 14.05           | 11.80                                   | 0.83                      | -                             | 12.63   | 1.42                   | 2.25                  |
|       |                                   |                      | -                |              |            | -               |   |                           |                               |   |                        |                       |
|       | Sub Total I                       |                      | 2,134.30         | 62.47        | -          | 2,196.77        | 722.20                                  | 86.24                     | -                             | 808.44  | 1,388.33               | 1,412.10              |
| II    | <b><u>Intangible Assets :</u></b> |                      |                  |              |            |                 |   |                           |                               |   |                        |                       |
|       | Sub Total II                      |                      | -                | -            | -          | -               | -                                       | -                         | -                             | -   | -                      | -                     |
| III   | Capital work in Process           |                      | -                | -            | -          | -               | -                                       | -                         | -                             | -   | -                      | -                     |
|       | <b>Total</b>                      |                      | <b>2,134.30</b>  | <b>62.47</b> | <b>-</b>   | <b>2,196.77</b> | <b>722.20</b>                           | <b>86.24</b>              | <b>-</b>                      | <b>808.44</b>                                   | <b>1,388.33</b>        | <b>1,412.10</b>       |

**Fixed assets & Depreciation calculation as per companies Act for the year ended 31st March 2021**

| Sr No | Block of Assets                   | Rate of Depreciation | Gross Block      |              |            | Depreciation    |  |                           |                               | Net Block                                       |                        |                       |
|-------|-----------------------------------|----------------------|------------------|--------------|------------|-----------------|--|---------------------------|-------------------------------|---|------------------------|-----------------------|
|       |                                   |                      | As on 01.04.2020 | Additions    | Deductions | Total           | Accumulated Depreciation upto 31.03.2020 | Depreciation for the Year | Depreciation on Sale of Asset | Total Accumulated Depreciation As on 31.03.2020 | W.D.V As on 31.03.2021 | W.D.V As on 31.3.2020 |
| I     | <b><u>Tangible Assets:</u></b>    |                      |                  |              |            |                 |  |                           |                               |   |                        |                       |
| 1     | Building (Factory)                | 9.50%                | 147.99           | 26.85        | -          | 174.84          | 28.33                                    | 10.32                     | -                             | 38.65   | 136.19                 | 119.65                |
| 2     | Building (Other Than Factory)     | 4.87%                | 1,067.69         | -            | -          | 1,067.69        | 170.02                                   | 44.76                     | -                             | 214.79  | 852.90                 | 897.67                |
| 3     | Furniture                         | 25.89%               | 155.99           | 0.86         | -          | 156.85          | 78.65                                    | 20.11                     | -                             | 98.76   | 58.09                  | 77.37                 |
| 4     | Machinery & Plant- Machinery      | 18.10%               | 560.77           | 6.83         | -          | 567.60          | 197.69                                   | 64.04                     | -                             | 261.73  | 305.87                 | 363.08                |
| 5     | Machinery & Plant - Vehicle       | 31.23%               | 153.27           | -            | -          | 153.27          | 70.67                                    | 25.80                     | -                             | 96.47   | 56.80                  | 82.60                 |
| 6     | Computer & Software               | 63.16%               | 13.11            | 0.94         | -          | 14.05           | 8.69                                     | 3.11                      | -                             | 11.80   | 2.25                   | 4.41                  |
|       |                                   |                      | -                |              |            | -               |  |                           |                               |   |                        |                       |
|       | Sub Total I                       |                      | 2,098.82         | 35.48        | -          | 2,134.30        | 554.06                                   | 168.13                    | -                             | 722.20  | 1,412.10               | 1,544.78              |
| II    | <b><u>Intangible Assets :</u></b> |                      |                  |              |            |                 |  |                           |                               |   |                        |                       |
|       | Sub Total II                      |                      | -                | -            | -          | -               | -  | -                         | -                             | -   | -                      | -                     |
| III   | Capital work in Process           |                      | -                | -            | -          | -               | -  | -                         | -                             | -   | -                      | -                     |
|       | <b>Total</b>                      |                      | <b>2,098.82</b>  | <b>35.48</b> | <b>-</b>   | <b>2,134.30</b> | <b>554.06</b>                            | <b>168.13</b>             | <b>-</b>                      | <b>722.20</b>                                   | <b>1,412.10</b>        | <b>1,544.78</b>       |

| EMPYREAN CASHEWS LIMITED  |                               |                      |                  |               |               |                 |  |                           |                               |   |                        |                       |
|---|-------------------------------|----------------------|------------------|---------------|---------------|-----------------|--|---------------------------|-------------------------------|---|------------------------|-----------------------|
| Fixed assets & Depreciation calculation as per companies Act for the year ended 31st March 2020 |                               |                      |                  |               |               |                 |  |                           |                               |   |                        |                       |
| Sr No   | Block of Assets               | Rate of Depreciation | Gross Block      |               |               |                 | Depreciation                             |                           |                               |   | Net Block              |                       |
|   |                               |                      | As on 01.04.2019 | Additions     | Deductions    | Total           | Accumulated Depreciation upto 31.03.2019 | Depreciation for the Year | Depreciation on Sale of Asset | Total Accumulated Depreciation As on 31.03.2020 | W.D.V As on 31.03.2020 | W.D.V As on 31.3.2019 |
| I   | <b>Tangible Assets:</b>       |                      |                  |               |               |                 |  |                           |                               |   |                        |                       |
| 1   | Building (Factory)            | 9.50%                | 138.49           | 9.49          | -             | 147.98          | 17.37                                    | 10.96                     | -                             | 28.33   | 119.65                 | 121.12                |
| 2   | Building (Other Than Factory) | 4.87%                | 1,175.73         | -             | 108.04        | 1,067.69        | 122.97                                   | 49.30                     | 2.24                          | 170.03  | 897.66                 | 1,052.77              |
| 3   | Furniture                     | 25.89%               | 153.08           | 2.91          | -             | 155.99          | 52.08                                    | 26.57                     | -                             | 78.65   | 77.34                  | 101.01                |
| 4   | Machinery & Plant- Machinery  | 18.10%               | 466.72           | 94.05         | -             | 560.77          | 127.84                                   | 69.86                     | -                             | 197.70  | 363.07                 | 338.88                |
| 5   | Machinery & Plant - Vehicle   | 31.23%               | 83.80            | 69.47         | -             | 153.27          | 52.12                                    | 18.55                     | -                             | 70.67   | 82.60                  | 31.68                 |
| 6   | Computer & Software           | 63.16%               | 6.79             | 6.31          | -             | 13.10           | 3.91                                     | 4.78                      | -                             | 8.69  | 4.41                   | 2.68                  |
|   |                               |                      |                  |               |               | -               |  |                           |                               |   |                        |                       |
|   | Sub Total I                   |                      | 2,024.61         | 182.23        | 108.04        | 2,098.80        | 376.29                                   | 180.02                    | 2.24                          | 554.07  | 1,544.73               | 1,648.14              |
| II  | <b>Intangible Assets :</b>    |                      |                  |               |               |                 |  |                           |                               |   |                        |                       |
|   | Sub Total II                  |                      | -                | -             | -             | -               | -  | -                         | -                             | -   | -                      | -                     |
| III   | Capital work in Process       |                      | -                | -             | -             | -               | -  | -                         | -                             | -   | -                      | -                     |
|   | <b>Total</b>                  |                      | <b>2,024.61</b>  | <b>182.23</b> | <b>108.04</b> | <b>2,098.80</b> | <b>376.29</b>                            | <b>180.02</b>             | <b>2.24</b>                   | <b>554.07</b>                                   | <b>1,544.73</b>        | <b>1,648.14</b>       |
| Fixed assets & Depreciation calculation as per companies Act for the year ended 31st March 2019 |                               |                      |                  |               |               |                 |  |                           |                               |   |                        |                       |
| Sr No   | Block of Assets               | Rate of Depreciation | Gross Block      |               |               |                 | Depreciation                             |                           |                               |   | Net Block              |                       |
|   |                               |                      | As on 01.04.2018 | Additions     | Deductions    | Total           | Accumulated Depreciation upto 31.03.2018 | Depreciation for the Year | Depreciation on Sale of Asset | Total Accumulated Depreciation As on 31.03.2019 | W.D.V As on 31.03.2019 | W.D.V As on 31.3.2018 |
| I   | <b>Tangible Assets:</b>       |                      |                  |               |               |                 |  |                           |                               |   |                        |                       |
| 1   | Building (Factory)            | 9.50%                | 138.49           | -             |               | 138.49          | 5.82                                     | 11.55                     | -                             | 17.37   | 121.12                 | 132.68                |
| 2   | Building (Other Than Factory) | 4.87%                | 1,150.24         | 25.49         |               | 1,175.73        | 69.15                                    | 53.82                     | -                             | 122.97  | 1,052.76               | 1,081.09              |
| 3   | Furniture                     | 25.89%               | 126.09           | 26.99         | -             | 153.08          | 21.69                                    | 30.39                     | -                             | 52.08   | 101.00                 | 104.40                |
| 4   | Machinery & Plant- Machinery  | 18.10%               | 419.31           | 47.41         | -             | 466.72          | 60.61                                    | 67.23                     | -                             | 127.84  | 338.88                 | 358.70                |
| 5   | Machinery & Plant - Vehicle   | 31.23%               | 83.80            | -             | -             | 83.80           | 37.73                                    | 14.39                     | -                             | 52.12   | 31.68                  | 46.07                 |
| 6   | Computer & Software           | 63.16%               | 3.18             | 3.61          | -             | 6.79            | 1.77                                     | 2.14                      | -                             | 3.91  | 2.88                   | 1.42                  |
|   |                               |                      |                  |               |               |                 |  |                           |                               |   |                        |                       |
|   | Sub Total I                   |                      | 1,921.11         | 103.50        | -             | 2,024.61        | 196.77                                   | 179.52                    | -                             | 376.29  | 1,648.32               | 1,724.36              |
| II  | <b>Intangible Assets :</b>    |                      |                  |               |               |                 |  |                           |                               |   |                        |                       |
|   | Sub Total II                  |                      | -                | -             | -             | -               | -  | -                         | -                             | -   | -                      | -                     |
| III   | Capital work in Process       |                      | -                | -             | -             | -               | -  | -                         | -                             | -   | -                      | -                     |
|   | <b>Total</b>                  |                      | <b>1,921.11</b>  | <b>103.50</b> | <b>-</b>      | <b>2,024.61</b> | <b>196.77</b>                            | <b>179.52</b>             | <b>-</b>                      | <b>376.29</b>                                   | <b>1,648.32</b>        | <b>1,724.36</b>       |

| <b>EMPYREAN CASHEWS LIMITED</b><br><b>Annexure-XVI</b><br><b>STATEMENT OF LONG TERM LOANS &amp; ADVANCES , AS RESTATED</b> |  |                              |               |               |
|--|--|------------------------------|---------------|---------------|
| <u>Particular</u>  | Figures as at the<br>end of 31st<br>October 2021 | For the Year Ended 31 March, |               |               |
|  |  | 2021                         | 2020          | 2019          |
| Other Deposits   | 27.69  | 29.17                        | 46.60         | 32.32         |
| Other Advances   |  |                              |               | -             |
| <b>TOTAL</b>   | <b>27.69</b>                                     | <b>29.17</b>                 | <b>46.60</b>  | <b>32.32</b>  |
| <b>Annexure-XVII</b><br><b>STATEMENT OF INVESTMENT, AS RESTATED</b>  |  |                              |               |               |
| <u>Particular</u>  | Figures as at the<br>end of 31st<br>October 2021 | For the Year Ended 31 March, |               |               |
|  |  | 2021                         | 2020          | 2019          |
| Investment in Shares   |  |                              |               | 52.06         |
| Reliance Liquid Fund   | 1.57   | 1.57                         | 1.57          | 1.57          |
| SA Trading   | 61.06  | 61.06                        | 0.10          |               |
| <b>TOTAL</b>   | <b>62.63</b>                                     | <b>62.63</b>                 | <b>1.67</b>   | <b>53.63</b>  |
| <b>Annexure-XVIII</b><br><b>STATEMENT OF INVENTORIES , AS RESTATED</b>   |  |                              |               |               |
| <u>Particular</u>  | Figures as at the<br>end of 31st<br>October 2021 | For the Year Ended 31 March, |               |               |
|  |  | 2021                         | 2020          | 2019          |
| Inventories  | 1,517.98   | 857.98                       | 822.98        | 677.14        |
| <b>TOTAL</b>   | <b>1,517.98</b>                                  | <b>857.98</b>                | <b>822.98</b> | <b>677.14</b> |
| <b>Annexure-XIX</b><br><b>STATEMENT OF TRADE RECEIVABLES, AS RESTATED</b>  |  |                              |               |               |
| <u>Particular</u>  | Figures as at the<br>end of 31st<br>October 2021 | For the Year Ended 31 March, |               |               |
|  |  | 2021                         | 2020          | 2019          |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment                    | 260.13   | 62.81                        | 249.70        | 763.50        |
| Secured, considered good   |  |                              |               |               |
| Unsecured, considered good   |  |                              |               |               |
| Doubtful   |  |                              |               |               |
| Less: Provision for doubtful trade receivables   | 260.13   | 62.81                        | 249.70        | 763.50        |
| Other Trade receivables  |  |                              |               |               |
| Secured, considered good   |  |                              |               |               |
| Unsecured, considered good   |  |                              |               |               |
| Doubtful   |  |                              |               |               |
| <b>TOTAL</b>   | <b>260.13</b>                                    | <b>62.81</b>                 | <b>249.70</b> | <b>763.50</b> |

| <b>Annexure-XX</b><br><b>STATEMENT OF CASH &amp; BANK BALANCES , AS RESTATED</b>         |  |                              |               |              |
|--|--|------------------------------|---------------|--------------|
| <u>Particular</u>  | Figures as at the<br>end of 31st<br>October 2021 | For the Year Ended 31 March, |               |              |
|  |  | 2021                         | 2020          | 2019         |
| Cash in Hand   | 2.48   | 36.18                        | 11.44         | 1.93         |
| Balance with Banks<br>In Current Accounts  | 165.87   | 91.55                        | 25.19         | 39.57        |
| <b>TOTAL</b>   | <b>168.35</b>                                    | <b>127.73</b>                | <b>36.63</b>  | <b>41.50</b> |
| <b>Annexure-XXI</b><br><b>STATEMENT OF SHORT TERM LOANS &amp; ADVANCES , AS RESTATED</b> |  |                              |               |              |
| <u>Particular</u>  | Figures as at the<br>end of 31st<br>October 2021 | For the Year Ended 31 March, |               |              |
|  |  | 2021                         | 2020          | 2019         |
| Advance to creditors   | 54.06  | 572.42                       | 119.82        |              |
| Loans & Advances (Asset)   |  | 42.73                        | 78.09         | 3.69         |
| Other Advances   |  |                              |               | 13.85        |
| <b>Advances to related Parties</b>   |  |                              |               |              |
| Aparna Morale  |  |                              | 48.79         |              |
| Sujit Bangar   |  |                              | 132.13        |              |
| Modi Co  |  | 341.74                       |               |              |
| <b>TOTAL</b>   | <b>54.06</b>                                     | <b>956.89</b>                | <b>378.83</b> | <b>17.54</b> |
| <b>Annexure-XXII</b><br><b>STATEMENT OF OTHER CURRENT ASSEST, AS RESTATED</b>            |  |                              |               |              |
| <u>Particular</u>  | Figures as at the<br>end of 31st<br>October 2021 | For the Year Ended 31 March, |               |              |
|  |  | 2021                         | 2020          | 2019         |
| MAT Credit   | 33.58  | 33.58                        | 33.58         | 33.58        |
| GST Input  | 90.41  | 52.40                        | 113.34        | 23.69        |
| GST Cash Balance   | 1.31   | 2.17                         |               |              |
| Advance tax  | 2.00   |                              | 3.50          |              |
| Other current assets   | 0.75   |                              | 1.25          |              |
| <b>TOTAL</b>   | <b>128.05</b>                                    | <b>88.15</b>                 | <b>151.67</b> | <b>57.27</b> |



**EMPYREAN CASHEWS LIMITED**
**Annexure-XXIII**
**STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**

| <u>Particular</u>         | Figures as at the end of 31st<br>October 2021 | For the Year Ended 31 March, |                 |                 |
|---------------------------|---|------------------------------|-----------------|-----------------|
|                           |   | 2021                         | 2020            | 2019            |
| Sales of Cashews          | 2,534.59                                      | 2,627.94                     | 3,804.39        | 4,383.19        |
| Sales of Organic Manuare  | 150.00  | 185.20                       | 590.56          | 360.03          |
| Sales of Raw Cashews nuts |   |                              |                 | 254.44          |
| <b>TOTAL</b>              | <b>2,684.59</b>                               | <b>2,813.14</b>              | <b>4,394.95</b> | <b>4,997.66</b> |

**Annexure-XXIV**
**STATEMENT OF OTHER INCOME, AS RESTATED**

| <u>Particular</u>            | Figures as at the end of 31st<br>October 2021 | For the Year Ended 31 March, |              |              |
|------------------------------|---|------------------------------|--------------|--------------|
|                              |   | 2021                         | 2020         | 2019         |
| Discount Received            | -   | 9.15                         | -6.95        | 16.43        |
| Rent Income                  | 2.67  | 6.18                         | 7.15         | 6.41         |
| Vat refund                   | 11.12   | 13.90                        | 7.44         | 25.75        |
| Foreign Exchange Gain        | 24.33   | 15.71                        | 8.21         |              |
| Deffered Tax income          | -   |                              |              |              |
| Profit on sale of Investment |   |                              |              | 0.56         |
| Profit on sale of Asset      |   |                              | 27.85        |              |
| Other Income                 | 0.001   | 0.004                        | 0.036        |              |
| Appreciation on Fund         |   |                              |              | 0.46         |
| <b>TOTAL</b>                 | <b>38.12</b>                                  | <b>44.94</b>                 | <b>43.74</b> | <b>49.61</b> |

**Annexure-XXV**
**Cost of Mateirla Consumed**

| <u>Particular</u>                    | Figures as at the end of 31st<br>October 2021 | For the Year Ended 31 March, |                 |                 |
|--------------------------------------|---|------------------------------|-----------------|-----------------|
|                                      |   | 2021                         | 2020            | 2019            |
| <b><u>Purchases of Materials</u></b> |   |                              |                 |                 |
| Purchases of Cashews                 | 2,097.40                                      | 1,597.07                     | 2,774.14        | 3,879.11        |
| Purchases of Jagerry                 |   |                              | -               | -               |
| Purchases Other Materials            | 180.70  | 0.58                         | 9.61            | 62.66           |
| Packing Materials Purchases          | 36.18   | 41.54                        | 60.04           | 46.90           |
| Purchase Organic Manuare             | 169.30  | 328.06                       | 158.37          | 234.17          |
| Other Direct Expenses                |   |                              |                 | 429.36          |
| <b>Total</b>                         | <b>2,483.58</b>                               | <b>1,967.25</b>              | <b>3,002.16</b> | <b>4,652.20</b> |

**Annexure-XXVI**
**Change In Inventory**

| <u>Particular</u>    | Figures as at the end of 31st<br>October 2021 | For the Year Ended 31 March, |                |                |
|----------------------|---|------------------------------|----------------|----------------|
|                      |   | 2021                         | 2020           | 2019           |
| Opening Stcok        | 857.98  | 822.98                       | 677.14         | 53.54          |
| Less : Closing Stock | -1,517.98                                     | -857.98                      | -822.98        | -677.14        |
| <b>Total</b>         | <b>-660.00</b>                                | <b>-35.00</b>                | <b>-145.84</b> | <b>-623.60</b> |

**EMPYREAN CASHEWS LIMITED**
**Annexure-XXVII**
**Employee Benefits**

| <u>Particular</u>                 | Figures as at the end of 31st<br>October 2021 | For the Year Ended 31 March, |               |               |
|-----------------------------------|---|------------------------------|---------------|---------------|
|                                   |   | 2021                         | 2020          | 2019          |
| Staff Salaries & Welfare Expenses | 52.50   | 77.25                        | 169.35        | 160.36        |
| Directors Remuneration Paid       | 34.20   | 64.80                        | 65.44         | 61.83         |
| Provision For Gratuity            | 0.99  | 0.83                         | 2.35          | 3.11          |
| <b>Total</b>                      | <b>87.69</b>                                  | <b>142.88</b>                | <b>237.14</b> | <b>225.30</b> |

**DISCLOSURE FOR GRATUITY UNDER AS-15 AS RESTATED**

Provision is made for gratuity (unfunded) based upon actuarial valuation done at the end of every financial year. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

**I. ASSUMPTIONS:**

| Particular                       | Figures as at the end of 31st<br>October 2021       | For the Year Ended 31 March,                        |   |   |
|----------------------------------|---|---|---|---|
|                                  |   | 2021  | 2020  | 2019  |
| Discount rate                    | 7%  | 7%  | 7%  | 7%  |
| Expected rate of salary increase | 5%  | 5%  | 5%  | 5%  |
| Mortality Table (LIC)            | Indian Assured Lives<br>Mortality<br>(2012-14) Ult. | Indian Assured Lives<br>Mortality<br>(2012-14) Ult. | Indian Assured Lives<br>Mortality<br>(2012-14) Ult. | Indian Assured Lives<br>Mortality<br>(2012-14) Ult. |
| Retirement                       | 55 years  | 55 years  | 55 years  | 55 years  |

**II. Changes in the present value of the defined benefit obligation are as follows**

| Particular   | Figures as at the end of 31st<br>October 2021 | For the Year Ended 31 March, |                  |                  |
|--|---|------------------------------|------------------|------------------|
|  |   | 2021                         | 2020             | 2019             |
| Defined Benefit Obligation as at beginning Of the Year           | 6.29  | 5.46                         | 3.11             | 0.00             |
| Current service cost   | 0.26  | 1.40                         | 0.22             | 0.00             |
| Interest cost  | 0.81  | 0.38                         | 1.56             | 0.00             |
| Benefit payments   | 0.00  | 0.00                         | 0.00             |                  |
| Actuarial (gain)/loss  | -0.08   | -0.95                        | 0.57             |                  |
| Defined Benefit Obligation as at End Of the year                 | 7.28  | 6.29                         | 5.46             | 3.11             |
| Changes in the defined benefit obligation and fair value of p    |   |                              |                  |                  |
| Period   | As on 31-10-2021                              | As on 31-03-2021             | As on 31-03-2020 | As on 31-03-2019 |
| Present value of the obligation at the end of the period         | 5.00  | 6.29                         | 5.46             | 3.11             |
| Fair value of plan assets at end of period                       | 0.00  | 0.00                         | 0.00             | 0.00             |
| Net liability/(asset) recognized in Balance Sheet and related ar | 7.28  | 6.29                         | 5.46             | 3.11             |
| Funded Status - Surplus/ (Deficit)                               | -7.28   | -6.29                        | -5.46            | -3.11            |

**III. Expense recognized in the statement of Profit and Loss**

| Particular   | Figures as at the end of 31st<br>October 2021 | For the Year Ended 31 March, |      |      |
|--|---|------------------------------|------|------|
|  |   | 2021                         | 2020 | 2019 |
| Interest cost                                      | 0.26  | 0.38                         | 0.22 | 3.11 |
| Current service cost                               | 0.81  | 1.40                         | 1.56 |      |
| Past Service Cost                                  | 0.00  | 0.00                         | 0.00 |      |
| Expected return on plan asset                      | 0.00  | 0.00                         | 0.00 |      |
| Net actuarial (gain)/loss recognized in the period | -0.80   | -0.95                        | 0.57 |      |
| Expenses to be recognized in P&L                   | 0.99  | 0.83                         | 2.35 | 3.11 |

**IV. AMOUNT RECOGNIZED IN THE BALANCE SHEET:**

| Particular   | Figures as at the end of 31st<br>October 2021 | For the Year Ended 31 March, |      |      |
|--|---|------------------------------|------|------|
|  |   | 2021                         | 2020 | 2019 |
| Net liability as at beginning of the year                  | 6.29  | 5.46                         | 3.11 | 0.00 |
| Net expense recognized in the Statement of Profit and Loss | 0.99  | 0.83                         | 2.35 | 3.11 |
| Net Liability/(Asset) Transfer In                          | 7.28  | 6.29                         | 5.46 | 3.11 |

V. The estimates of rate of salary increase considered in the actuarial valuation takes into account inflation, seniority, promotion and all other relevant factors

VI. The company operates an unfunded gratuity plan wherein employees are entitled to the benefit as per scheme of the company for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

| <b>EMPYREAN CASHEWS LIMITED</b>                  |   |                              |               |              |
|--|---|------------------------------|---------------|--------------|
| <b>Annexure-XXVIII</b>                           |   |                              |               |              |
| <b>Finance Cost</b>                              |   |                              |               |              |
| <u>Particular</u>                                | Figures as at the end of 31st<br>October 2021 | For the Year Ended 31 March, |               |              |
|  |   | 2021                         | 2020          | 2019         |
| Interest on Secured Loan                         | 33.37   | 40.80                        | 40.65         | 18.72        |
| Interest on Unsecured Loans                      | 69.06   | 51.53                        | 62.93         | 68.18        |
| Bank charges                                     | 1.36  | 2.21                         |               |              |
| <b>Total</b>                                     | <b>103.79</b>                                 | <b>94.54</b>                 | <b>103.59</b> | <b>86.90</b> |
| <b>Annexure-XXIX</b>                             |   |                              |               |              |
| <b>Foreign Exchange Earnings and Expenditure</b> |   |                              |               |              |
| Particular                                       | Period Ended October 2021                     | For the Year Ended 31 March, |               |              |
|  |   | 2021                         | 2020          | 2019         |
| <b>Value of Import</b>                           |   |                              |               |              |
| Raw Cashews                                      | 2,062.75                                      | 838.91                       | 2,509.20      | 2,029.97     |
| <b>Earning In Foreign Exchange</b>               |   |                              |               |              |
| Sales Receipts                                   | -   | 3.50                         | -             | -            |
| <b>Expenditure in Foreign Currency</b>           |   |                              |               |              |
| Travelling Charges                               | -   | -                            | -             | -            |
| <b>Annexure-XXX</b>                              |   |                              |               |              |
| <b>Earning Per Share</b>                         |   |                              |               |              |
| Particular                                       | Period Ended October 2021                     | For the Year Ended 31 March, |               |              |
|  |   | 2021                         | 2020          | 2019         |
| Net Profit before Tax                            | 211.69  | 102.29                       | 126.35        | 107.93       |
| Net Profit after Tax                             | 166.69  | 66.73                        | 92.93         | 67.63        |
| Number of equity share for basis & diluted EPS   | 145.48  | 145.48                       | 145.48        | 145.48       |
| Face value per share                             | 10  | 10                           | 10            | 10           |
| Basic EPS Before tax                             | 1.46  | 0.7                          | 0.87          | 0.74         |
| Basic EPS after tax                              | 1.15  | 0.46                         | 0.64          | 0.46         |

# **EMPYREAN CASHEWS LIMITED**

## **Annexure XXXI(A)- : Related Party Disclosures**

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

### **A. List of Related Parties and Nature of Relationship :**

| Particulars  | Name of Related Parties                      |  |
|--|--|--|
| <b>a) Director's Key/ Management Personnel's</b>                                       | NANA PRAKASH MHASKE                          | Executive Director and Chief Executive Officer                                     |
|  | ANANT PANDURANG KULKARNI                     | Executive Director and Chief Financial Officer                                     |
|  | APARNA MORALE BANGAR                         | Managing Director and Chairperson  |
| <b>b) Relative Of KMP</b>  | Prakash Mhaske                               | Father of Mr.Nana Praksh Mhaske  |
|  | Sudamati Mhaske                              | Mother of Mr.Nana Praksh Mhaske  |
|  | Sawani Mhaske                                | Spouse of Mr.Nana Praksh Mhaske  |
|  | Vanita Jadhav                                | Sister of Mr.Nana Praksh Mhaske  |
|  | Jaya Londhe                                  | Sister of Mr.Nana Praksh Mhaske  |
|  | Sangita Patekar                              | Sister of Mr.Nana Praksh Mhaske  |
|  | Arya Mhaske                                  | Son of Mr.Nana Praksh Mhaske   |
|  | Kartik Mhaske                                | Son of Mr.Nana Praksh Mhaske   |
|  | Pandurang Kulkarni                           | Father of Mr.Anant Pandurang Kulkarni  |
|  | Shilja Kulkarni                              | Mother of Mr.Anant Pandurang Kulkarni  |
|  | Akhshada Kulkarni                            | Spouse of Mr.Anant Pandurang Kulkarni  |
|  | Swati Bawkar                                 | Sister of Mr.Anant Pandurang Kulkarni  |
|  | Soham Kulkarni                               | Son of Mr.Anant Pandurang Kulkarni   |
|  | Swarali Kulkarni                             | Daughter of Mr.Anant Pandurang Kulkarni  |
|  | Arun Morale                                  | Father of Mrs.Aparna Morale Banagar  |
|  | Jyoti Morale                                 | Mother of Mrs.Aparna Morale Banagar  |
|  | Sujit Bangar                                 | Spouse of Mrs.Aparna Morale Banagar  |
|  | Amol Morale                                  | Brother of Mrs.Aparna Morale Banagar   |
|  | Naresh Morale                                | Brother of Mrs.Aparna Morale Banagar   |
|  | Madhura Morale                               | Sister of Mrs.Aparna Morale Banagar  |
|  | Radha Bangar                                 | Daughter of Mrs.Aparna Morale Banagar  |
|  | Reeta Bangar                                 | Daughter of Mrs.Aparna Morale Banagar  |
| <b>c) Enterprises in which KMP/Relatives of KMP can exercise significant influence</b> | SSBA INNOVATIONS PRIAVTE LIMITED             | Company In Which Mrs.Aparna Sujit Banger And Mr.Sujit Sudhakar Banger are Director |
|  | SSB CAPITAL ADVISORS                         | Sole Proprietorship of Mr.Sujit Sudhakar Banger                                    |
|  | EMPYREAN ENVIRO                              | Partnership firm of Mrs.Aparna Sujit Banger And Mr.Sujit Sudhakar Banger           |
|  | EMPYREAN SUGAR & SPECILIATTY BIOMASS PVT LTD | Company In Which Mr Nana Prakash Mhaske And Mr.Anant Pandurang are director        |
|  | MODI CO                                      | Foreign Proprietorship In Which Mr.Nana Prakash Mhaske is Proprietor               |

Note 1: The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexures

| ANNEXURE - XXXI(B) - Transactions carried out with related parties referred to in (1) above, in ordinary course of Business  |   |  |   |   |   |
|--|---|--|---|---|---|
|  |   | (Rs. In lakhs)                         |   |   |   |
| Nature of transactions   | Name of Related Parties                       | For the period of<br>31st October 2021 | For the period<br>of 31st March<br>2021 | For the period<br>of 31st March<br>2020 | For the period<br>of 31st March<br>2019 |
| 1. Directors Remuneration  | NANA PRAKASH MHASKE                           | 8.05                                   | 13.80                                   | 14.54                                   | 13.80                                   |
|  | ANANT PANDURANG KULKARNI                      | 7.00                                   | 12.00                                   | 12.00                                   | 12.00                                   |
|  | APARNA MORALE BANGAR                          | 17.50                                  | 30.00                                   | 30.00                                   | 30.00                                   |
|  | AMOL ARUN MORALE                              | 1.65                                   | 9.00                                    | 8.90                                    | 6.00                                    |
| 2. Reimbursement Expenses of Directors   | NANA PRAKASH MHASKE                           | 1.11                                   | 3.11                                    | 4.72                                    | 1.49                                    |
|  | APARNA MORALE BANAGR                          | 0.13                                   | 0.07                                    | 1.84                                    | 2.63                                    |
|  | ANANT PANDURANG KULKARNI                      | -                                      | -                                       | 1.78                                    | 0.58                                    |
|  | AMOL ARUN MORALE                              | -                                      | -                                       | 1.42                                    | 0.90                                    |
| 3. Rent Income   | SSBA INNOVATIONS PRIVATE LIMITED              | 1.44                                   | 3.41                                    | 3.86                                    | 3.45                                    |
|  | SSB CAPITAL ADVISORS                          | 1.44                                   | 3.41                                    | 3.86                                    | 3.46                                    |
| 4. Advances to creditors   | MODI CO                                       | -                                      | 341.73                                  | -                                       | -                                       |
|  | SSB CAPITAL ADVISORS                          | -                                      | 11.71                                   | 11.71                                   | -                                       |
| 5. Loan & Liability  | NANA PRAKASH MHASKE                           | 5.00                                   | 14.00                                   | 20.00                                   | 20.00                                   |
|  | ANANT PANDURANG KULKARNI                      | 11.00                                  | 8.00                                    | 15.00                                   | 15.00                                   |
|  | EMPYREAN ENVIRO                               | -                                      | 307.22                                  | -                                       | -                                       |
|  | APARNA MORALE BANGAR                          | -                                      | -                                       | -                                       | 5.00                                    |
|  | EMPYREAN SPECIALITY SUGAR AND BIOMASS LIMITED | -                                      | -                                       | -                                       | 2.00                                    |
| 6. Salary  | SUJIT SUDHAKAR BANAGR                         | -                                      | -                                       | 40.00                                   | 72.75                                   |
| 7. Investment  | S A TRADING                                   | -                                      | -                                       | -                                       | -                                       |
|  | Capital Account                               | 60.96                                  | 60.96                                   | -                                       | -                                       |
|  | Current Account                               | 0.10                                   | 0.10                                    | 0.10                                    | -                                       |
| 8. Loans & Advances  | EMPYREAN ENVIRO                               | -                                      | -                                       | -                                       | 216.55                                  |
|  | SUJIT SUDHAKAR BANAGR                         | -                                      | -                                       | 132.13                                  | -                                       |
| 9. Sale  | EMPYREAN ENVIRO                               | -                                      | -                                       | 211.14                                  | 315.70                                  |
|  | EMPYREAN SPECIALITY SUGAR AND BIOMASS LIMITED | -                                      | -                                       | 280.55                                  | -                                       |
| 10. Purchase   | EMPYREAN ENVIRO                               | 170.00                                 | -                                       | -                                       | -                                       |
| Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexures |   |  |   |   |   |
| Annexure - XXXI(C) - Outstanding Balance as at the end of the year   |   |  |   |   |   |
|  | Name of Related Parties                       | For the period of<br>31st October 2021 | As at 31st<br>March 2021                | As at 31st<br>March 2020                | As at 31st<br>March 2019                |
| Payable  | APARNA MORALE BANGAR                          | -                                      | -                                       | -                                       | 23.78                                   |
|  | NANA PRAKASH MHASKE                           | 5.00                                   | 14.00                                   | 20.00                                   | 20.00                                   |
|  | ANANT PANDURANG KULKARNI                      | 11.00                                  | 8.00                                    | 15.00                                   | 15.00                                   |
|  | EMPYREAN ENVIRO                               | 170.00                                 | -                                       | -                                       | 13.40                                   |
|  | SSBA INNOVATIONS PRIVATE LIMITED              | 12.17                                  | 10.72                                   | 7.31                                    | 3.45                                    |
| Receivable   | SSB CAPITAL ADVISORS                          | 1.44                                   | 15.12                                   | 11.71                                   | 3.46                                    |
|  | MODI CO                                       | -                                      | 341.73                                  | -                                       | -                                       |
|  | EMPYREAN ENVIRO                               | -                                      | -                                       | 105.92                                  | 371.26                                  |
|  | AMOL ARUN MORALE                              | -                                      | -                                       | -                                       | 0.90                                    |
|  | SUJIT SUDHAKAR BANAGR                         | -                                      | -                                       | 132.13                                  | 1.00                                    |
|  | APARNA MORALE BANGAR                          | -                                      | -                                       | 48.79                                   | -                                       |
|  | NANA PRAKASH MHASKE                           | -                                      | -                                       | -                                       | 2.79                                    |
| Note: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexures.                                      |   |  |   |   |   |

**EMPYREAN CASHEWS LIMITED**
**Annexure- XXXII**
**STATEMENT OF DIVIDEND DECLARED, AS RESTATED**

| Particulars                              | Figures as at the end of 31st October 2021 | For the Year Ended 31 March, |          |          |
|--|--|------------------------------|----------|----------|
|  |  | 2021                         | 2020     | 2019     |
| <b>On Equity Shares</b>                  |  |                              |          |          |
| Fully Paid up Share Capital (₹ in lakhs) | 1,454.81                                   | 1,454.81                     | 1,454.81 | 1,454.81 |
| Face Value (₹)                           | 10.00                                      | 10.00                        | 10.00    | 10.00    |
| Paid up value per share (₹)              | 10.00                                      | 10.00                        | 10.00    | 10.00    |
| Rate of Dividend                         | -  | -                            | -        | 1.72%    |
| Total Dividend                           | -  | -                            | -        | 25.00    |

**Annexure- XXXIII**
**STATEMENT OF TAX SHELTER AS PER RESTATED**

| Particular  | Figures as at the end of 31st October 2021 | For the Year Ended 31 March, |               |               |
|---|--|------------------------------|---------------|---------------|
|   |  | 2021                         | 2020          | 2019          |
| <b>Tax Rates</b>  |  |                              |               |               |
| Income Tax Rate (%)   | 27.82%                                     | 27.82%                       | 27.82%        | 26%           |
| Minimum Alternate Tax Rate (%)                              | 16.69%                                     | 16.69%                       | 16.69%        | 20.59%        |
| <b>Restated Income Before tax as per books (A)</b>          | <b>211.69</b>                              | <b>102.29</b>                | <b>129.02</b> | <b>105.25</b> |
| <b>Tax Adjustments</b>                                      |  |                              |               |               |
| <b>Permanent Difference</b>                                 | -  | -                            | -             |               |
| Amounts disallowed under section 37 of I.T. Act, 1961       | -  | -                            | -             | 675.00        |
| Amounts disallowed under section 40a(ii) of I.T. Act, 1961  | -  | -                            | -             |               |
| Interest on Tax deducted at source                          | -  | -                            | -             | -             |
|   | -  | -                            | -             | 675.00        |
| <b>Total Permanent Difference (B)</b>                       |  |                              |               |               |
| <b>Time Difference</b>                                      |  |                              |               |               |
| Provision for Gratuity                                      | 0.99                                       | 0.83                         | 2.35          | 3.11          |
| Depreciation As per Company Act, 2013                       | 86.24                                      | 168.13                       | 180.02        | 179.52        |
| Depreciation as I.T. Act, 1961                              | 96.50                                      | 183.81                       | 207.80        | 190.86        |
| <b>Total Time Difference (C)</b>                            | <b>-9.27</b>                               | <b>-14.85</b>                | <b>-25.43</b> | <b>-8.23</b>  |
| <b>Other</b>  |  |                              |               |               |
| Income Considered Under Other head                          | 2.67                                       | 6.18                         | 7.15          | 7.43          |
| <b>Total Other Adjustment (D)</b>                           | <b>2.67</b>                                | <b>6.18</b>                  | <b>7.15</b>   | <b>7.43</b>   |
| <b>Income From Business or Profession (E) (A+B+C-D)</b>     | <b>199.75</b>                              | <b>81.26</b>                 | <b>96.44</b>  | <b>764.58</b> |
| <b>Income From Other Sources (F)</b>                        |  |                              |               |               |
| Rent Income   | 2.67                                       | 6.18                         | 7.15          | 6.41          |
| capital gain  |  |                              |               | 1.02          |
|   | 2.67                                       | 6.18                         | 7.15          | 7.43          |
| <b>Taxable Income/(Loss) (G=E+F)</b>                        | <b>202.42</b>                              | <b>87.44</b>                 | <b>103.59</b> | <b>772.01</b> |
| Less: Accumulated Business Loss And Unabsorbed Depreciation | 0  | 0                            | 0             | 0             |
| <b>Total Tax</b>  | <b>56.31</b>                               | <b>24.33</b>                 | <b>28.82</b>  | <b>200.72</b> |
| <b>Book Profit</b>  | <b>211.69</b>                              | <b>102.29</b>                | <b>129.02</b> | <b>105.25</b> |
| Add: Income Tax   | 0  | 0                            | 0             | 0             |
| <b>MAT On Book Profit</b>                                   | <b>35.33</b>                               | <b>17.07</b>                 | <b>21.53</b>  | <b>21.67</b>  |
| Tax Paid As Per normal Or MAT                               | Normal                                     | Normal                       | Normal        | Normal        |

| EMPYREAN CASHEWS LIMITED                                |                              |                              |       |       |
|---|------------------------------|------------------------------|-------|-------|
| Annexure- XXXIV   |                              |                              |       |       |
| Restated Adjustments having impact on Profit & Loss A/c |                              |                              |       |       |
| Particulars   | Period Ended October<br>2021 | For the Year Ended 31 March, |       |       |
|   |                              | 2021                         | 2020  | 2019  |
| Profit as per audited profit and loss account           | 166.69                       | 66.74                        | 66.81 | 56.58 |
| Add: 1) Deffered Tax                                    | -                            | -                            | 28.47 | 14.15 |
| 2) Preliminary expenses                                 |                              |                              | 2.67  | -     |
| Less: 1) Gratuity Expenses                              | -                            | -                            | 2.35  | 3.11  |
| 2) Preliminary expenses                                 |                              |                              | -     | 2.67  |
| Profit as per restated profit and loss account          | 166.69                       | 66.74                        | 95.60 | 64.95 |

## OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations, the standalone audited financial statements of our Company as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019 (the “Audited Financial Statements”) are available at <https://www.krishival.com/inv-fin-com.html> . Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the “Investor Group”) and should not be relied upon or used as a basis for any investment decision. None of the Investor Group or any of its advisors, nor any of Lead Manager nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

### Non-GAAP Measures

We use a variety of financial and operational performance indicators such as Networth, Return on Net Worth, Net Asset Value (per Equity Share), EBITDA and EBITDA Margin, to measure and analyse our operational performance from period to period, and to manage our business. Our management also uses other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the Indian cashew industry to evaluate our financial and operating performance. These are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with Indian GAAP. We compute and disclose such NonGAAP Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These Non-GAAP Measures and other statistical and other information relating to our operations and financial performance are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Accounting Standards and may not be comparable to similarly titled measures presented by other companies. These financial and operational performance indicators have limitations as analytical tools and limited usefulness as a comparative measure. As a result, these financial and operational performance indicators should not be considered in isolation from or as a substitute for analysis of our historical financial performance, as reported and presented in its financial statements. Further, these financial and operational performance indicators are not defined under Accounting Standards and therefore, should not be viewed as substitutes for performance or profitability measures under Accounting Standard. While these financial and operational performance indicators may be used by other companies in the cashew industry, they may use different financial or performance indicators or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to those used by us. The following table includes accounting ratios required under paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations and certain non GAAP financial information:

| Particulars  | Period Ended<br>October 2021 | For the Year Ended 31 March, |          |          |
|--|------------------------------|------------------------------|----------|----------|
|  |                              | 2021                         | 2020     | 2019     |
| Restated PAT as per P & L Account  | 166.69                       | 66.74                        | 95.60    | 64.95    |
| Actual Number of Equity Shares outstanding at the end of the year          | 145.48                       | 145.48                       | 145.48   | 145.48   |
| Equivalent Weighted Average number of Equity Shares at the end of the year | 145.48                       | 145.48                       | 145.48   | 137.42   |
| Share Capital  | 1,454.81                     | 1,454.81                     | 1,454.81 | 1,454.81 |
| Reserves & Surplus   | 655.82                       | 489.13                       | 483.44   | 267.33   |



|   |          |          |          |          |
|---|----------|----------|----------|----------|
| Misc. Expenses write-off  | 0        | 0        | 0        | 0        |
| Net Worth   | 2,110.63 | 1,943.94 | 1,938.25 | 1,722.14 |
| <b><u>Earnings Per Share:</u></b>   |          |          |          |          |
| Basic   | 1.15     | 0.46     | 0.66     | 0.47     |
| Diluted   | 1.15     | 0.46     | 0.66     | 0.47     |
| Return on Net Worth (%)   | 7.90     | 3.43     | 4.93     | 3.77     |
| Net Asset Value Per Share (₹) - based on actual no. of equity shares at the end of the year | 14.51    | 13.36    | 13.32    | 11.84    |
| EBITDA (Earnings Before Income Tax Depreciation and Amortisation)                           | 401.72   | 364.96   | 412.63   | 377.00   |
| Nominal Value per Equity share (₹)  | 10.00    | 10.00    | 10.00    | 10.00    |

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at October 31, 2021, derived from our Restated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with the sections titled *“Management's Discussion and Analysis of Financial Condition and Results of Operations”*, *“Financial Information”* and *“Risk Factors”* on pages 184, 144 and 19 respectively.

| Particular   | Pre Issue<br>(As at October 31, 2021) | Post Issue      |
|--|---------------------------------------|-----------------|
| <b>Borrowings</b>                                  |                                       |                 |
| Long Term Debt (A)                                 | 835.11                                | 835.11          |
| Short Term Debt (Including Current maturities) (b) | 317.32                                | 317.32          |
| <b>Total Debt (C=A+B)</b>                          | <b>1,152.43</b>                       | <b>1,152.43</b> |
| <b>Shareholder's Funds</b>                         |                                       |                 |
| Equity Share Capital (D)                           | 1,454.81                              | 1,979.51        |
| Reserves and surplus-as retained (E )              | 655.82                                | 2,072.53        |
| <b>Total Shareholder's Funde (F=D+E)</b>           | <b>2,110.63</b>                       | <b>4,052.04</b> |
| <b>Long term debt/shareholders funde (A/F)</b>     | <b>0.40</b>                           | <b>0.21</b>     |
| <b>Total Debt/shareholders funde(C/F)</b>          | <b>0.55</b>                           | <b>0.28</b>     |

## FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for the purposes of working capital requirements. For the Issue, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company.

As on the date of filing of this Draft Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements. As on December 31, 2021 our total outstanding secured borrowing was **₹ 956.86 lakhs** and total outstanding unsecured borrowing was **₹ 234.53 lakhs**.

The Articles, subject to the provisions of Section 180 (1) (c) of the Companies Act, 2013 authorize the Board to from time to time at its discretion or by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose borrow or secure the payment of any sum or sums of money for the purposes of our Company.

### A. Secured Borrowings

#### STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(₹ in Lakhs)

| Name of Lender | Purpose of credit Facility | Date of Sanction/ Renewal | Sanctioned Amount (Amount in Lakhs) | Rate Of Interest | Repayment Schedule  | Prime Securities offered | Maturity Period/tenor | Prepayment penalty  | Outstanding amount as on 31/12/ 2021 (as per books) |
|----------------|----------------------------|---------------------------|-------------------------------------|------------------|---------------------|--------------------------|-----------------------|---|---|
| AXIS BANK      | Working Capital            | January 14, 2021          | 300 .00                             | 9.00%            | Repayable on Demand | Stock and Book Debts -   | Nil (A)               | Prepayment without any prepayment premium in the following circumstances: | 268.05  |

|                   |                           |                   |        |       |  |   |                 |   |       |
|-------------------|---------------------------|-------------------|--------|-------|--|---|-----------------|---|-------|
| Loan – CC         |                           |                   |        |       | Refer Note.1 Below   | <p>(I) In case of MSME borrower, pre-paying the loan amount from internal accruals</p> <p><b>(B) Prepayment Premium in all other Circumstance (excluding A above)Z</b><br/> (I) @2.00% These charges shall be levied on Entire working capital limit and in case of Term loans on the outstanding balance at The time of such take over</p> <p><b>(C) Notice for Prepayment</b><br/> 30 Business Days prior to the renewal due date</p> |                 |   |       |
| <b>AXIS BANK</b>  | Working Capital Term loan | February 20, 2021 | 99.00  | 8.85% | Same as above  | Same as above   | Same as above   | Same as above   | 99.00 |
| <b>AXIS BANK</b>  | Vehicle Loan              | November 10, 2021 | 50.00  | 9.05% | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | Vehicle   | 01 January 2025 | 5 % of the Principal Outstanding  | 34.29 |
| <b>ICICI BANK</b> | Vehicle Loan              | December 26, 2012 | 32 .00 | 9.50% | Interest and principle to be paid on monthly basis every month from the date of                      | Vehicle   | 01 March 2022   | The Lesser of the following;<br>a) 5% Of the Principal Outstanding till 24 Months and Nil Pre payment after 24 months<br>b) The Interest outstanding for the unexpired period of the loan | 1.39  |

|                                 |                  |                     |        |       | disbursement<br>of loan   |                          |                     |  |               |
|---------------------------------|------------------|---------------------|--------|-------|---|--------------------------|---------------------|--|---------------|
| <b>PNB<br/>HOUSING<br/>LOAN</b> | Property<br>Loan | January 04,<br>2017 | 612.00 | 9.32% | Interest and<br>principle to be<br>paid<br>on monthly<br>basis<br>every month<br>from<br>the date of<br>disbursement<br>of loan | Refer<br>Note.2<br>Below | 10 December<br>2038 | A. Nil, in case property is in the<br>name<br>Of Individual<br>B. In case property is name of non-<br>Individual entity, It will be<br>considered as business purpose loan<br>and charges of 2% of principal paid<br>+GST will be applicable | 554.13        |
| <b>TOTAL</b>                    |                  |                     |        |       |   |                          |                     |  | <b>956.86</b> |

Note:

1. The Company has availed working capital facility from AXIS Bank. Working capital facility is due for renewal every 12 months. Loan is primarily secured by way of Exclusive Charge on Stock and Book debts of the Company. Further the loan is also having collateral security as under

- (i) Commercial Unit at Flat No. 1309 admeasuring 1073sq. ft. Carpet area, 13th Floor, Lodha Supremes Powai, situated at Opposite MTNL Office, Off JVLR, Saki Vihar Road, Powai

2. The Company has availed Housing loan from PNB housing finance Limited. Loan is primarily secured on Assets of 2102, Wing A, Raj Grandeur, village Tirandaz Powai, Andheri East, behind Hiranandani hospital Mumbai-400076

**Principal terms of borrowings availed by the Company:**

**Personal Guarantee:** No personal guarantee has been provided.

**Corporate Guarantee:** No corporate guarantee has been provided.

**Restrictive Covenants under the Secured Loans:**

- Company shall not without prior written consent of Axis Bank Limited create any charge on the security held in the account covered by the Guarantee from National Credit Guarantee Trustee Company Limited (NCGTC) for the benefit of any account not covered by the guarantee from NCGTC, with itself or in favor of any other creditors without intimating NCGTC.
- Shall not during the tenure of the loan agreement, avail of or obtain any further loan or facility on the security of the vehicle without prior written consent of Axis Bank Limited.

**Events of Default:**

*Borrowing arrangements entered into our Company contain standard events of default, including, among others:*

- Company commits any default in the payment of EMIs and in the payment of any other amounts to the Bank when due and payable.
- Company defaults in performing any of his obligations under the Agreement or breaches any of the terms or conditions of the security documents, undertakings, etc. executed in favor of Bank
- The death, failure in business, going into liquidation/ dissolution, amalgamation or reconstitution, except with prior written approval of the Bank, general assignment of the benefit of the creditors, if the Company suspends payment to any creditors or threatens to do so, filing of any petition of winding up against the Borrower.
- Any information provided by the Company to avail the loan or any of its representations, warranties being found to be or becoming incorrect or untrue.
- Any person other than Bank commencing proceedings to declare the Company insolvent or if the Company shall become bankrupt or insolvent or commit act of insolvency.

***Consequences of Default:***

In the event of any default, the Bank shall have the right :

- To recover the entire dues of the Loan.
- To suspend any withdrawal to be effected in the loan account.
- Take any other action as it may deem fit for recovery of its dues and enforcement of the securities.

**B. Unsecured Loan**

**STATEMENT OF PRINCIPAL TERMS OF UNSECURED LOANS :**

| Name of Lander                   | Purpose of credit Facility             | Date of Sanction/ Renewal | Sanctioned Amount (Amount in Lakhs) | Rate Of Interest | Repayment Schedule   | Outstanding amount as on 31/12/2021 | Maturity Period |
|----------------------------------|--|---------------------------|-------------------------------------|------------------|--|-------------------------------------|-----------------|
| EDELWEISS RETAIL FINANCE LIMITED | Working Capital Loan - Channel Finance | 05 March 2021             | 25.08                               | 16.50%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | 16.62                               | 01 March 2023   |
| HDFC BANK LTD                    | Working Capital Loan -                 | 10 March 2021             | 40.16                               | 14.50%           | Interest and principle to be paid  | 31.68                               | 01 March 2024   |

| Name of Lander                        | Purpose of credit Facility             | Date of Sanction/ Renewal | Sanctioned Amount (Amount in Lakhs) | Rate Of Interest | Repayment Schedule   | Outstanding amount as on 31/12/2021 | Maturity Period   |
|---------------------------------------|--|---------------------------|-------------------------------------|------------------|--|-------------------------------------|-------------------|
|                                       | Channel Finance                        |                           |                                     |                  | on monthly basis every month from the date of disbursement of loan                                   |                                     |                   |
| HERO FINANCE CORP LIMITED             | Working Capital Loan - Channel Finance | 28 February 2021          | 25.30                               | 16.50%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | 13.42                               | 01 September 2022 |
| IDFC BANK LTD                         | Working Capital Loan - Channel Finance | 28 February 2021          | 40.80                               | 15.00%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | 21.54                               | 01 September 2022 |
| POONAWALA FINCORP LTD                 | Working Capital Loan - Channel Finance | 24 March 2021             | 30.13                               | 21.00%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | 11.08                               | 01 October 2022   |
| MONEY WISE FINANCIAL SERVICES PVT LTD | Working Capital Loan - Channel Finance | 25 March 2021             | 50.22                               | 17.00%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | 41.14                               | 01 March 2024     |
| RBL BANK LTD                          | Working Capital Loan -                 | 05 October 2020           | 35.10                               | 15.50%           | Interest and principle to be paid  | 20.54                               | 01 July 2023      |

| Name of Lander                     | Purpose of credit Facility             | Date of Sanction/ Renewal | Sanctioned Amount (Amount in Lakhs) | Rate Of Interest | Repayment Schedule   | Outstanding amount as on 31/12/2021 | Maturity Period |
|------------------------------------|--|---------------------------|-------------------------------------|------------------|--|-------------------------------------|-----------------|
|                                    | Channel Finance                        |                           |                                     |                  | on monthly basis every month from the date of disbursement of loan                                   |                                     |                 |
| ICICI BANK LOAN                    | Working Capital Loan - Channel Finance | 01 March 2021             | 60.00                               | 9.50%            | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | 47.59                               | 05 March 2024   |
| ADITYA BIRLA CAPITAL               | Working Capital Loan - Channel Finance | 17 March 2021             | 35.00                               | 18.54%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | 6.95                                | 05 April 2022   |
| FED BANK FINANCIAL SERVICE LIMITED | Working Capital Loan - Channel Finance | 28 February 2021          | 30.00                               | 16.50%           | Interest and principle to be paid on monthly basis every month from the date of disbursement of loan | 7.96                                | 02 March 2022   |
| Mr. ANANT PANDURANG KULKARNI       | Working Capital Loan - Channel Finance | 21 July 2018              | 40.00                               | Nil              | Repayable on Demand  | 11.00                               | -               |
| Mr. NANA PRAKASH MHSAKE            | Working Capital Loan - Channel Finance | 17 July 2018              | 20.00                               | Nil              | Repayable on Demand  | 5.00                                | -               |
| <b>Total</b>                       |  |                           |                                     |                  |  | <b>234.53</b>                       |                 |



Our Subsidiary have not availed any unsecured loans as on date of this Draft Prospectus.

## **RELATED PARTY TRANSACTIONS**

For details of related party transactions as per the requirements under AS 18 - Related Party Disclosures, read with the SEBI ICDR Regulations for the seven months period ended October 31, 2021 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, see “***Restated Financial Information – Notes to Audited Restated Financial Statements – Annexure XXXI***” on page 144.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATION

*You should read the following discussion and analysis of our financial condition and results of operations, and our assessment of the factors that may affect our prospects and performance in future periods, together with our Restated Financial Information for the seven months period ended October 31, 2021 and for Financial Years 2021, 2020 and 2019, including the notes thereto and reports thereon, each included in this Draft Prospectus. Unless otherwise stated, financial information used in this section is derived from the Audited Restated Financial Statements.*

*This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. You should also read “**Forward-Looking Statements**” and “**Risk Factors**” on pages 13 and 19 respectively, which discuss a number of factors and contingencies that could affect our business, financial condition and results of operations.*

*Our fiscal year ends on March 31 of each year, so all references to a particular “fiscal year” and “Fiscal” are to the twelve (12) month period ended March 31 of that fiscal year. References to the “Company”, “we”, “us” and “our” in this chapter refer to ‘Empyrean Cashews Limited’ as applicable in the relevant fiscal period, unless otherwise stated.*

### OVERVIEW

Our Company was initially incorporated as a private limited company under the name and style ‘Empyrean Cashews Private Limited’ under the Companies Act, 1956 vide Certificate of Incorporation dated 21st March 2014 issued by the Registrar of Companies, Maharashtra, Mumbai. Our Company is engaged in the business of procurement and processing of Raw Cashew Nut to finished cashew kernels with different grades and flavours. Our company further processes cashew kernels into flavours like salted, pepper and chilly along with plain cashew kernel. Our company has established strong brand ‘Krishival’ in more than 26 cities/towns across India with more than 32 distributors. Brand Krishival is known for its quality of nuts with unique crunchiness and aroma.

Our Company is promoted by Aparna Morale Bangar, Nana Prakash Mhaske and Anant Pandurang Kulkarni. Our promoters are the guiding force behind the growth of the Company and possesses more than two decades of experience in the trading & retailing. Our promoters have been able to nurture good relations with our raw material suppliers in India or abroad and with sales distributors across India. With his dedication and commitment along with support of our key management personnel and dedicated employee base, our Company has shown a positive trend in our business operations. We believe that our market position has been achieved by adherence to the vision of our Promoters and senior management and their experience. We value our customers and aim to exceed customer expectations by fulfilling valuable commitments. Our customer oriented approach and cordial relations with them are the key strengths of our company. We aim to provide good quality products and timely delivery of the product to our customers. We strive to establish relationships with customers.

Our total revenues from operations on basis for the seven months ended October 31, 2021 and Fiscals 2021, 2020 and 2019 were ₹2684.59 lakhs, ₹2813.14 lakhs, ₹4394.95 and ₹ 4997.66 lakhs respectively, and grew at a CAGR of (15.92)% over such period. Our EBITDA for the seven months ended October 2021, for the Fiscals 2021, 2020 and 2019 were ₹ 401.72 lakhs, ₹ 364.96 lakhs, ₹ 412.63 lakhs and ₹ 377.00 lakhs, respectively, and grew at a CAGR of 1.78% over such period. Our profit after tax for the seven months ended October 31, 2021 and Fiscals 2021, 2020 and 2019 was ₹ 166.69 lakhs, ₹ 66.74 lakhs, ₹ 95.60 lakhs and ₹ 64.95 lakhs respectively, and grew at a CAGR of 30.14%. For further details, please see section titled “**Financial Information**” on page 144 of this Draft Prospectus.

Impact of COVID-19 on our business operations

The current outbreak of COVID-19 pandemic has adversely impacted the global economy. The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020 and a pandemic on March 11, 2020. The Government of India announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. Subsequently in view of the second wave of COVID-19, various state governments had imposed a complete lockdown on or about the beginning of May, 2021. However, as we are engaged in import/export and trading of agricultural produce and commodities which are 'essential goods', our operations were not shut down during this pandemic. However, due to limited availability of labour, logistics and supply chain constraints, our business were impacted during the initial period of the lockdown. We continued our operations and business activities after making arrangements to meet the government's requirements on sanitization, people movement and social distancing. Major impact was for the months of April, May and June of year 2020. Due to increase in cases in rural areas of Kolhapur and Belgavi district, many villages were not allowing residents to go for work in factories. This severely impacted availability of labour and hence operations.

Since, the relaxation of the aforementioned restrictions, our procurement, day to day operations and logistics have become more regular. 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 –Risk Factors No. 1** - The Coronavirus disease (COVID-19) pandemic has substantially affected and may continue to affect our business, results of operations, financial condition and cash flows in the future on page 19 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.

#### **MATERIAL DEVELOPMENTS AFTER OCTOBER 31, 2021**

1. Our Company had availed a business loan from our Directors Nana Prakash Mhaske and Anant Pandurang Kulkarni amounting to ₹5 lakhs and ₹11 lakhs which was repaid by our Company on January 14, 2022.
2. Pursuant to resolution of Board of directors dated January 08, 2022, our Company has acquired 99.94% of equity share capital of Siddhivinayak Cashew Industries Private Limited on January 08, 2022.

#### **PRESENTATION OF FINANCIAL INFORMATION**

The financial information in this Draft Prospectus comprises of Restated statement of assets and liabilities as at October 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019; and the restated statement of profit and loss and restated statement of cash flows for the seven (7) months period ended on October 31, 2021 and for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019 and the summary statement of significant accounting policies and other explanatory notes. The Interim Audited Financial Statements have been compiled by our Company for the seven (7) months period ended on October 31, 2021 prepared in accordance with accounting standards and restated in accordance with the SEBI ICDR Regulations, Guidance Note on Reports in Company Prospectuses (Revised 2019) by the Institute of Chartered Accountants of India and Section 26 of Part I of Chapter III of Companies Act, 2013 as amended issued as stated in the report of our Peer Reviewed Auditor, set out in the section titled "**Financial Information**" beginning on page no. 144 of this Draft Prospectus.

#### **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled '**Risk Factors**' on page 19 of this Draft Prospectus. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

Any adverse changes in central or state government policies like changes in GST rates.

1. Our ability to maintain and enhance our brand image;

2. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
3. Our ability to attract and retain qualified personnel;
4. The performance of the financial markets in India and globally;
5. Occurrences of natural disasters or calamities affecting the areas in which we have operations;
6. Our ability to compete effectively, particularly in new markets and businesses;
7. Changes in foreign exchange rates or other rates or prices;
8. Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
9. Other factors beyond our control;
10. Our ability to manage risks that arise from these factors;
11. Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
12. Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
14. Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

## **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies have been applied consistently to the periods presented in the Audited Restated Financial Statements. For details of our significant accounting policies as below

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

#### ***Corporate Information***

Incorporated in March 2014, EMPYREAN CASHEWS LIMITED ('**The Company**'), is engaged in the business of Manufacturing of Cashews

#### ***Basis of Preparation***

The Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP). Financial statements are based on historical costs. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of the money.

The Company generally follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except significant uncertainties.

GAAP comprises mandatory accounting standards as prescribed under section 133 of Companies Act, 2013 ('the Act') read with Rule 7 of companies (Accounts) Rule 2014, the provisions of the act (to the extent notified).

#### ***Revenue recognition***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### ***Revenue from sale of goods or Services***

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the

customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

#### ***Revenue from Investment***

Dividend income is accounted for in the year in dividend is declared and right to receive is established as per Accounting India Standard 9 on "Revenue Recognition" issued by the Institute of Chartered Accountants of (!CAI)

#### ***Segment Reporting***

The Company at present is engaged in the business of Manufacturing of Cashews, which constitutes a single business segment. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

#### ***Use of estimates***

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision in accounting estimates is recognised properly in current and future periods

#### ***Current/ non-current classification***

All assets and liabilities are classified into current and non-current as follows:

##### **Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within 12 months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

##### **Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current

## **Property Plant and Equipment**

### **Tangible assets**

Property, plant and equipment are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of Property, plant and equipment comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures 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. Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

### **Depreciation**

Depreciation on tangible assets is provided on written down value (WDV) at the rates and in the manner prescribed In Schedule II of the Companies Act, 2013.

### **Impairment**

In accordance with AS 28 – Impairment of Assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. For assets in respect of which any such indication exists, the asset's recoverable amount is estimated, at higher of the net selling price and the 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. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reinstated at the recoverable amount subject to a maximum of depreciable historical cost.

### **Foreign currency transactions**

#### **Initial recognition**

Transactions in foreign currency are recorded in the reporting currency by applying to the foreign currency amount the exchange rate prevailing on the date of the transaction.

#### **Subsequent recognition**

Monetary items denominated in foreign currency as at the balance sheet date are converted at the exchange rate prevailing on that date.

### **Inventories**

Inventories are valued at lower of cost or net realisable value. Cost includes freight and other related incidental expenses net of recoverable duties and taxes, if any and is arrived at on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost to affect the sale

### **Income Taxes**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in Statement of Profit or Loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to/ recovered from the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

### **Minimum alternate tax**

Minimum alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### **Earning Per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

### **Contingent liabilities and provisions**

The Company Does not have present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the account of the obligation can be made.

### **Gratuity & Retirement Benefits :**

#### **i. Defined contribution plan**

Retirement benefits in the form of Provident Fund, Pension Fund and Employees State Insurance Fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the period when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

#### **ii. Defined benefit plan**



Gratuity liability for eligible employees is defined benefit obligation and is provided on the basis of Actuarial valuation.

iii. Leave encashment

The Company does not have any leave encashment policy and all the unutilized leaves lapse at the end of the year.

**Cash flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a 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 based on the available information.

**Prior Period Items**

Expenses relating to earlier period are debited to profit and loss account, if any. As per information and explanation and records kept by the company, the amount of such expenses and incomes are not fully quantifiable.

**CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS**

Except as mentioned in chapter “*Financial Information*” on page 144 of this Draft Prospectus, there has been no change in accounting policies in last 3 years.

**RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS**

For details, see section titled “*Financial Information*” on page 144 of this Draft Prospectus

**OVERVIEW OF REVENUE AND EXPENSES**

Principal components of our statement of profit and loss account Revenue

The following descriptions set forth information with respect to the key components of the Audited Restated Financial Statements.

**Total income**

Our revenue comprises of sales of Cashews and sales of Organic Manure,

**Revenue from operations**

Our revenue from operations consists of sale of products and other operating revenue. Sale of products primarily consists of cashew kernels.

**Other Income**

Other income includes Foreign Exchange Gain, Rent and other miscellaneous income.

**Expenses**

Our expenses comprise (i) cost of material and services consumed; (ii) change in inventories; (iii) employee benefit expenses; (iv) depreciation and amortisation expense; (v) impairment losses on financial instrument and contract assets; (vi) finance cost; and (vii) other expenses.

### **Cost of material purchase**

Cost of material comprises of cost of cashews, Packing Material, Cost of organic Manure and cost of other materials

### **Changes in inventories of stock-in-trade**

Changes in inventories of stock-in-trade comprises of difference in closing balance vis-a-vis opening balance of stock in trade.

### **Employee benefit expenses**

Employee benefit expense consists of salaries, wages, gratuity, bonus, contribution to provident fund & other funds and staff welfare.

### **Other expenses**

Other expenses comprise of rent expense, commission & brokerage, advertisement & publicity, warehouse charges, repair & maintenance expenses, freight, insurance & clearing charge and miscellaneous expenses.

### **Finance cost**

Finance cost comprises interest expense and other finance costs. Interest expense, generally, comprises interest on secured loans and unsecured loan. Other finance costs consist of bank commission, loan processing charges, loan prepayment charges, and loan renewal charges.

### **Depreciation and Amortisation Expense**

Depreciation and amortization expense comprises of depreciation on building, plant and machinery, office equipment, furniture & fixtures, vehicles, leasehold improvements, computers, servers & network, right-of-use assets and amortization of intangible assets.

### **Tax expenses**

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date

Results of Operations based on Restated Summary Statements for the seven month period ended October 31, 2021

The following table sets out our financial data derived from our Restated Summary Statements for each of the periods indicated and its components expressed as a percentage of the total income for such periods.

| (₹. In Lakhs)           |  |                                       |
|-------------------------|--|---------------------------------------|
| <b>Particular</b>       | <b>Seven Months Ended October 31, 2021</b> | <b>Percentage of total income (%)</b> |
| <b>INCOME</b>           |  |                                       |
| Revenue from Operations | 2,684.59                                   | 98.60%                                |
| Other Income            | 38.12                                      | 1.40%                                 |
| Total Income (A)        | 2,722.71                                   | 100%                                  |
| <b>EXPENDITURE</b>      |  |                                       |

|  |          |         |
|--|----------|---------|
| Cost of materials consumed/Purchase  | 2483.58  | 91.22%  |
| Purchases of Stock-in-Trade  | -        | -       |
| Changes in inventories of finished goods, work in process and stock in trade | -660.00  | -24.24% |
| Employee benefit expenses  | 87.68    | 3.22%   |
| Finance costs  | 103.79   | 3.81%   |
| Depreciation and amortisation expense  | 86.24    | 3.17%   |
| Other Expenses   | 409.72   | 15.05%  |
| Total Expenses (B)   | 2,511.02 | 92.23%  |
| Profit before extraordinary items and tax                                    |          |         |
| Prior period items (Net)   |          |         |
| Profit before exceptional, extraordinary items and tax (A-B)                 | 211.69   | 7.77%   |
| Exceptional items  | -        | -       |
| Profit before extraordinary items and tax                                    |          |         |
| Extraordinary items  | -        | -       |
| Profit before tax  | 211.69   | 7.77%   |
| Share of net profit from joint venture accounted for using equity method     |          |         |
| Profit before tax  |          |         |
| Tax expense:   |          |         |
| (i) Current tax  | 55.46    | 2.04%   |
| (ii) Deferred tax  | -10.46   | -038%   |
| .- (iii) MAT Credit  | -        | -       |
| (iv) Short/(Excess) Provision of Earlier Year                                |          |         |
| Total Tax Expense  | 45.00    | 1.65%   |
| Profit for the year (D-E)  | 166.69   | 6.12%   |
| Other Comprehensive Income   |          |         |
| Items that will not be reclassified to profit or loss                        | -        | -       |
| items that may be reclassified to profit or loss                             | -        | -       |
| Other comprehensive income for the year                                      | -        | -       |
|  | -        | -       |
| Restated total comprehensive income  | -        | -       |

**Seven Months Ended October 31, 2021**

## Total Income

(₹. In Lakhs)

| Particulars                          | Seven months period ended October 31, 2021 |                                |
|--------------------------------------|--|--------------------------------|
|                                      | in Lakhs                                   | Percentage of total income (%) |
| i. Sale of products                  |  |                                |
| Domestic                             | 2,684.59                                   | 98.60%                         |
| Export                               | -  | -                              |
| Total Sale of Products               | 2,684.59                                   | 98.60%                         |
| ii. Other Income                     |  |                                |
| Effects on Exchange Rate Differences | 24.33                                      | 0.90%                          |
| Vat Tax Refund                       | 11.12                                      | 0.41%                          |
| Misc. Income                         | 0.001                                      | 0.00%                          |
| Rent Received                        | 2.67                                       | 0.10%                          |
| Other Income(ii)                     | 38.12                                      | 1.40%                          |
| Total Income (i+ii)                  | 2,722.71                                   | 100%                           |

## Total Revenue

Our total revenue for the Seven Months Ended October 31, 2021 was ₹2,722.71 lakhs and Total revenue comprises of Sales of Cashews, Sales of Organic Manure, Foreign Exchange Gain, Rent and other miscellaneous income

## Revenue from Operations

Our revenue from operations for the Month Ended October, 31, 2021 was ₹ 2,684.59 lakhs which represent as 98.60% of total revenue

## Other Income

Other income for the Month Ended October, 31, 2021 was ₹ 38.12 lakhs which represent as 1.40% of total income Which comprise foreign exchange gain and other miscellaneous Income

## Expenditure

Our total expenditure for the Month Ended October, 31, 2021 was ₹ 2,511.02 which represent as 92.23% of total income which include cost of material consumed, Cost of goods sold, employee benefits expenses in the nature of salaries, wages and bonus and contribution to provident fund and other funds, finance costs, depreciation and amortization expenses and other expenses

Our cost of goods sold was primarily determined by the purchase of stock-in-trade, adjusted by changes in inventories of stock-in-trade, employees benefit expenses, finance cost as follows:

Purchase of stock in trade

The changes inventories of stock-in-trade for the Month Ended October, 31, 2021 was ₹ 1,823.58 lakhs which represent as 66.98% of total revenue for the seven Month ended 31 October 2021 consisted primarily of expenses towards details of cost of material consumed.

**Employee benefits expense**

Our employee benefit expenses for the Seven month period ended October 31, 2021 of ₹87.69 Lakhs, representing 3.22% of our total revenue for the Seven Month period ended October 31, 2021 consisted primarily of expenses towards salaries, wages, staff welfare and bonus of ₹86.70 Lakhs along with contributions towards Gratuity of ₹0.99 Lakh.

**Finance costs**

Finance cost for the Month Ended October, 31, 2021 was ₹ 103.79 lakhs Which represent as 3.81% of total revenue for the seven Month ended 31, October 2021 This consisted primarily of interest on secured and unsecured borrowings of 33.37 and 69.06 respectively and other finance cost of ₹1.36 lakh

**Depreciation and amortisation expense**

Depreciation and amortization expense for the Month Ended October, 31, 2021 was ₹ 86.24 lakhs as Which represent as 3.16% of total revenue for the seven Month ended 31, October 2021. These Consist of Building of ₹31.94 Lakh Furniture of ₹8.82 Lakh machinery of ₹44.65 and computer of ₹0.83

**Other expenses**

Other expenses for the Month Ended October, 31, 2021 was ₹ 409.72 This was consisted of repairs and maintenance, rates and taxes, selling expenses, professional consultancy, commission, rent, other office expenses and travel amongst other expenses.

**Restated Profit/Loss before Tax**

The restated profit/(loss) before tax for the Month Ended October, 31, 2021 of ₹ 211.69 Lakhs Which Represent as 7.77% of total revenue

**Tax expense**

Our total tax expense for the Seven month period ended October 31, 2021 was ₹45 Lakh which is 1.65% of our total revenue for the Seven month period ended October 31, 2021. It comprised of deferred tax expenses and current tax provision. Deferred tax expenses represent changes in deferred tax assets and deferred tax liabilities.

**Restated Profit/Loss after Tax**

The restated profit/(loss) before tax for the Month Ended October, 31, 2021 of ₹166.69 lakhs Which Represent as 6.12% Of total revenue

Results of Operations based on Restated Summary Statements for the Financial Year ended March 31, 2021, 2020 and 2019

The following table sets out our financial data derived from our Restated Summary Statements for each of the periods indicated and its components expressed as a percentage of the total income for such periods.

(₹ in lakhs)

| Particular   | 2021     | Percentage of total income (%) | 2020     | Percentage of total income (%) | 2019     | Percentage of total income (%) |
|--|----------|--------------------------------|----------|--------------------------------|----------|--------------------------------|
| <b>INCOME</b>  |          |                                |          |                                |          |                                |
| Revenue from Operations  | 2,813.14 | 98.43%                         | 4,394.95 | 99.01%                         | 4,997.66 | 99.02%                         |
| Other Income   | 44.94    | 1.57%                          | 43.74    | 0.99%                          | 49.61    | 0.98%                          |
| Total Income (A)   | 2,858.08 | 100%                           | 4,438.69 | 100%                           | 5,047.27 | 100%                           |
| <b>EXPENDITURE</b>   |          |                                |          |                                |          |                                |
| Cost of materials  | 1,967.25 | 68.83%                         | 3,002.16 | 67.64%                         | 4,652.20 | 92.17%                         |
| Purchases of Stock-in-Trade  | -        | -                              | -        | -                              | -        | -                              |
| Changes in inventories of finished goods, work in process and stock in trade | -35.00   | -1.22%                         | -145.84  | -3.29%                         | -623.60  | -12.36%                        |
| Employee benefit expenses  | 142.88   | 5.00%                          | 237.14   | 5.34%                          | 225.30   | 4.46%                          |
| Finance costs  | 94.54    | 3.31%                          | 103.59   | 2.33%                          | 86.90    | 1.72%                          |
| Depreciation and amortisation expense  | 168.13   | 5.88%                          | 180.02   | 4.06%                          | 184.85   | 3.66%                          |
| Other Expenses   | 417.99   | 14.62%                         | 932.60   | 21.01%                         | 416.37   | 8.25%                          |
| Total Expenses (B)   | 2755.80  | 96.42%                         | 4309.67  | 97.09%                         | 4942.02  | 97.91%                         |
| Profit before extraordinary items and tax                                    | 102.29   | 3.58%                          | 129.02   | 2.91%                          | 105.25   | 2.09%                          |
| Prior period items (Net)   | -        | -                              | -        | -                              | -        | -                              |
| Profit before exceptional, extraordinary items and tax (A-B)                 | 102.29   | 3.58%                          | 129.02   | 2.91%                          | 105.25   | 2.09%                          |
| Exceptional items  | -        | -                              | -        | -                              | -        | -                              |
| Profit before extraordinary items and tax                                    | 102.29   | 3.58%                          | 129.02   | 2.91%                          | 105.25   | 2.09%                          |
| Extraordinary items  | -        | -                              | -        | -                              | -        | -                              |
| Profit before tax  | 102.29   | 3.58%                          | 129.02   | 2.91%                          | 105.25   | 2.09%                          |
| Share of net profit from joint venture accounted for using equity method     | -        | -                              | -        | -                              | -        | -                              |
| Profit before tax  | 102.29   | 3.58%                          | 129.02   | 2.91%                          | 105.25   | 2.09%                          |
| Tax expense:   |          |                                |          |                                |          |                                |
| (i) Current tax  | 31.69    | 1.11%                          | 33.46    | 0.75%                          | 26.60    | 0.53%                          |
| (ii) Deferred tax  | 3.86     | 0.14%                          | -0.04    | -0.00%                         | 13.70    | 0.27%                          |
| (iii) MAT Credit   | -        | -                              | -        | -                              | -        | -                              |
| (iv) Short/(Excess) Provision of Earlier Year                                | -        | -                              | -        | -                              | -        | -                              |
| Total Tax Expense  | 35.55    | 1.17%                          | 33.42    | 0.75%                          | 40.30    | 0.80%                          |
| Profit for the year  | 66.74    | 2.34%                          | 95.60    | 2.15%                          | 64.95    | 1.29%                          |
| <b>Other Comprehensive Income</b>  |          |                                |          |                                |          |                                |
| Items that will not be reclassified to profit or loss                        | -        | -                              | -        | -                              | -        | -                              |

|  |   |   |   |   |   |   |
|--|---|---|---|---|---|---|
| items that may be reclassified to profit or loss | - | - | - | - | - | - |
| Other comprehensive income for the year          | - | - | - | - | - | - |
| Restated total comprehensive income              | - | - | - | - | - | - |

## Total Income

(₹. In Lakhs)

| Particulars                          | Fiscal 2021 |                                | Fiscal 2020 |                                | Fiscal 2019 |                                |
|--------------------------------------|-------------|--------------------------------|-------------|--------------------------------|-------------|--------------------------------|
|                                      | in Lakhs    | Percentage of total income (%) | in Lakhs    | Percentage of total income (%) | in Lakhs    | Percentage of total income (%) |
| i. Sale of products                  |             |                                |             |                                |             |                                |
| Domestic                             | 2,809.81    | 98.4%                          | 4,394.95    | 99.01%                         | 4,997.66    | 99.02%                         |
| Export                               | 3.33        | -                              | -           | -                              | -           | -                              |
| Total Sale of Products               | 2,813.14    | 98.4%                          | 4,394.95    | 99.01%                         | 4,997.66    | 99.02%                         |
| ii. Other Income                     |             |                                |             |                                |             |                                |
| Effects on Exchange Rate Differences | 15.71       | 0.55%                          | 8.21        | 0.18%                          | -           | -                              |
| Vat Tax Refund                       | 13.90       | 0.49%                          | 7.44        | 0.17%                          | 25.75       | 0.51%                          |
| Misc. Income                         | 9.154       | 0.32%                          | 20.94       | 0.47%                          | 17.45       | 0.35%                          |
| Rent Received                        | 6.18        | 0.22%                          | 7.15        | 0.16%                          | 6.41        | 0.13%                          |
| Other Income(ii)                     | 44.94       | 1.57%                          | 43.74       | 0.99%                          | 49.61       | 0.98%                          |
| Total Income (i+ii)                  | 2,858.09    | 100%                           | 4,438.68    | 100%                           | 5,047.27    | 100%                           |

Financial Year 2021 compared with Financial Year 2020

## Total revenue

Our total revenue for the Fiscal 2021 was ₹2,858.08 lakhs as compared to ₹4,438.68 lakhs for the Fiscal 2020, representing a decrease of (35.61%). Total revenue comprises of Sales of Cashews, Sales of Organic Manure, Foreign Exchange Gain, Rent and other miscellaneous income

## Revenue from Operations

Our revenue from operations for the Fiscal 2021 was ₹ 2,813.14 lakhs as compared to ₹ 4,394.95 lakhs for the Fiscal 2020, representing an decrease of (35.99%). With advent out covid19 outbreak, the company operations were affected by lockdown in April to June 2021 and later availability of labour as surrounding villages were not allowing residents to go for work in factories. The fall in operating revenue can be attributed to these reasons.

## Other Income

Other income for the Fiscal 2021 was ₹ 44.94 lakhs as compared to ₹ 43.74 lakhs for the Fiscal 2020, representing an increase of 2.77 % The increase in other income was primarily due to increase in Foreign exchange gain and Refund of VAT.

## **Expenditure**

Our total expenditure for the Fiscal 2021 was ₹ 2,755.80 lakhs as compared to ₹ 4,309.67 lakhs for the Fiscal 2020, representing an decrease of (36.06%).

Our cost of goods sold was primarily determined by the purchase of stock-in-trade, adjusted by changes in inventories of stock-in-trade, employees benefit expenses, finance cost as follows:

### **Purchase of stock in trade**

The changes inventories of stock-in-trade for the Fiscal 2021 was ₹ 1,967.25 lakhs as compared to ₹ 3,002.16 lakhs for the Fiscal 2020, With advent out covid19 outbreak, the company operations were affected by lockdown in April to June 2021 and later availability of labour as surrounding villages were not allowing residents to go for work in factories. The resistant fall in revenue caused reduced stock in trade.

### **Employee benefits expense**

Employee benefit expense for the Fiscal 2021 was ₹ 142.88 lakhs as compared to ₹ 237.14 lakhs for the Fiscal 2020, representing an decrease of (39.75%). In Fiscal 2021, operations were affected by outbreak of covid-19 pandemic and resultant disruptions. Therefore, employee benefit expenses were on lower side during that period.

### **Finance costs**

Finance cost for the Fiscal 2021 was ₹ 94.54 lakhs as compared to ₹ 103.59 lakhs for the Fiscal 2020, representing an decrease of (8.72%). In Fiscal 2021, operations were affected by outbreak of covid-19 pandemic and resultant disruptions. Due to this company need not availed finance for raw material purchase. This has resulted in reduced finance cost in Fiscal 2021.

### **Depreciation and amortisation expense**

Depreciation and amortization expense for the Fiscal 2021 was ₹ 168.14 lakhs as compared to ₹ 180.02 lakhs for the Fiscal 2020, representing a decrease of (6.60%). The decrease is due to general impact of depreciation during the year.

### **Other expenses**

Other expenses for the Fiscal 2021 was ₹ 417.99 lakhs as compared to ₹ 932.60 lakhs for the Fiscal 2020, representing an increase of 55.18 %. In Fiscal 2021, operations were affected by outbreak of covid-19 pandemic and resultant disruptions. Therefore, other expenses were on lower side during that period.

### **Restated Profit/Loss before Tax**

The restated profit/(loss) before tax for the Fiscal 2021 of ₹ 102.29 lakhs as compared to ₹ 129.02 lakhs for the Fiscal 2020. The Decrease in restated profit/loss before tax for the Fiscal 2021 is due to reduced operation as an effect of disruptions caused by Covid-19 pandemic.

### **Tax expense**

Total tax expense for the Fiscal 2021 ₹ 35.55 lakhs as compared to ₹ 33.42 lakhs for the Fiscal 2020, representing an increase of 6.37 %. The increase was due to increase in current tax.

### **Restated Profit/Loss after Tax**



As a result of the aforesaid, Our Company earned a profit for the year on a restated basis for the Fiscal 2021 of ₹ 66.74 lakhs as compared to ₹ 95.60 lakhs for the Fiscal 2020, representing a Decrease of 30.20 %. With advent out covid19 outbreak, the company operations were affected by lockdown in April to June 2021 and later availability of labour as surrounding villages were not allowing residents to go for work in factories. The fall in restated profit after tax can be attributed to these reasons

## **Financial Year 2020 compared with Financial Year 2019**

### **Total revenue**

Our total revenue for the Fiscal 2020 was ₹4,438.68 lakhs as compared to ₹5,047.27 lakhs for the Fiscal 2019, representing an decrease of (12.06%). Total revenue comprises of Sales of Cashews, Sales of Organic Manure, Foreign Exchange Gain, Rent and other miscellaneous income

### **Revenue from Operations**

Our revenue from operations for the Fiscal 2020 was ₹4,394.95 lakhs as compared to ₹4,997.66 lakhs for the Fiscal 2019, representing an decrease of (12.06%). In Fiscal 2020, Raw Cashew Nuts processed by the company was 2800 MT which is 7.7% more than 2600 MT Raw Cashew Nuts processed in the Fiscal 2019. Inspite of increase in quantity wise volume of processing, there is fall in value terms and this can be attributed to substantial fall in Raw Cashew Nuts and Cashew Kernel prices.

### **Other Income**

Other income for the Fiscal 2020 was ₹43.73 lakhs as compared to ₹49.61 lakhs for the Fiscal 2019, representing an Decrease of (11.85 %) . Major portion of VAT refund was received in Fiscal 2019 and only remaining portion has been received in Fiscal 2020. Therefore other income has been reduced in Fiscal 2020.

### **Expenditure**

Our total expenditure for the Fiscal 2020 was ₹4,309.66 lakhs as compared to ₹4,942.02 lakhs for the Fiscal 2019, representing a decrease of (12.80%).

Our cost of goods sold was primarily determined by the purchase of stock-in-trade, adjusted by changes in inventories of stock-in-trade, employees benefit expenses, finance cost as follows:

### **Purchase of stock in trade**

The changes inventories of stock-in-trade for the Fiscal 2020 was ₹3,002.16 lakhs as compared to ₹4,652.20 lakhs for the Fiscal 2019, In Fiscal 2020, Raw Cashew Nuts processed by the company was 2800 MT which is 7.7% more than 2600 MT Raw Cashew Nuts processed in the Fiscal 2019. Inspite of increase in quantity wise volume of processing, there is fall in value terms of purchase and this can attributed to substantial fall in Raw Cashew Nuts and Cashew Kernel prices.

### **Employee benefits expense**

Employee benefit expense for the Fiscal 2020 was ₹237.14 lakhs as compared to ₹225.30 lakhs for the Fiscal 2019, representing an increase of (5.26%). This was due to general increase in salaries, wages and bonus.

### **Finance costs**

Finance cost for the Fiscal 2020 was ₹ 103.59 lakhs as compared to ₹86.90 lakhs for the Fiscal 2019, representing an increase of (19.21%). The increase in finance cost is due enhanced finance for raw material purchases.

### Depreciation and amortisation expense

Depreciation and amortization expense for the Fiscal 2020 was ₹180.02 lakhs as compared to ₹184.85 lakhs for the Fiscal 2019, representing a decrease of (2.61%). The decrease is due to general impact of depreciation during the year.

### Other expenses

Other expenses for the Fiscal 2020 was ₹ 932.61 lakhs as compared to ₹416.36 lakhs for the Fiscal 2019, representing an increase of 123.98 %. During Fiscal 2020, we have started another unit which is larger. Also, major repair and maintenance of existing facility was carried out. Further in Fiscal 2020, total 2800 MT RCN was processed against 2600 processing in Fiscal 2019. Along with this there were extra transportation cost. All these factors were responsible for increase in other expenses in Fiscal 2020.

### Restated Profit/Loss before Tax

The restated profit/(loss) before tax for the Fiscal 2020 of ₹ 129.02 lakhs as compared to ₹105.25 lakhs for the Fiscal 2019. The increased profit is due to more efficient management of operations.

### Tax expense

Current Tax decreased by 17.07% to Rs. ₹33.42 lakhs for Fiscal 2021 as compared to ₹40.30 lakhs for the Fiscal 2019.

### Restated Profit/Loss after Tax

As a result of the aforesaid, our Company earned a profit for the year on a restated basis for the Fiscal 2020 of ₹95.60 lakhs as compared to ₹64.96 lakhs for the Fiscal 2019, representing an increase of 47.17 %. The increase in restated profit after tax is due to efficient management of operation in challenging environment.

### Cash Flows

The following table sets forth certain information relating to our cash flows under AS in Financial Year 2021, Financial Year 2020 and Financial Year 2019 and the Seven months ended October 31, 2021:

(₹. In Lakhs)

| Particulars   | Seven Months<br>Ended October<br>31, 2021 | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|---|---|----------------|----------------|----------------|
| Net (loss) / profit<br>After tax                                | 166.69                                    | 66.73          | 95.60          | 64.96          |
| Net Cash Flow<br>from/ (used in)<br>Operating<br>Activities (A) | 308.82                                    | 16.28          | 283.85         | -15.09         |
| Net Cash Flow<br>Used in Investing<br>Activities (B)            | -60.20                                    | -90.27         | -1.03          | 107.90         |
| Net Cash<br>Generated from<br>Financing<br>Activities (C)       | -208.00                                   | 165.10         | -287.68        | -308.94        |

|  |        |        |        |         |
|--|--------|--------|--------|---------|
| Net Increase /<br>(Decrease) in Cash<br>& Cash<br>Equivalents<br>(A+B+C) | 40.62  | 91.10  | -4.86  | -216.13 |
| Cash and cash<br>equivalents at the<br>beginning of the<br>year/period   | 127.73 | 36.63  | 41.450 | 257.62  |
| Effect of Change in<br>Exchange Rates                                    | -      | -      | -      | -       |
| Cash and cash<br>equivalents at year/<br>period end                      | 168.35 | 127.73 | 36.63  | 41.50   |

### **Net cash generated from operating activities**

Net cash generated from operating activities in the Financial Year 2021 was ₹16.28 lakhs and our profit after tax for that period was ₹66.73 lakhs. This difference is primarily on account of trade and other payables, other current asset and trade and other receivable.

Net cash generated from operating activities in the Financial Year 2020 was ₹283.83 lakhs and our profit after tax for that period was ₹95.60 lakhs. This difference is primarily on account of trade and other payables, other current asset and trade and other receivable.

Net cash generated from operating activities in the Financial Year 2019 was ₹ -15.09 lakhs and our profit after tax for that period was ₹64.96 lakhs. This difference is primarily on account of trade and other payables, other current asset and trade and other receivable.

### **Net cash used in investing activities**

In the Financial Year 2021, our net cash used in investing activities was ₹-90.27 lakhs. This was on account of investment in Partnership Firm and purchase of plant and machinery.

In the Financial Year 2020, our net cash used in investing activities was ₹-1.03 lakhs. This was on account of due to Purchase of plant and machinery and redemptions of investments.

In the Financial Year 2019, our net cash used in investing activities was ₹107.90 lakhs. This was on account of Purchase of plant and machinery and subscription of share capital.

### **Net cash generated from/ used in financing activities**

In the Financial Year 2021, our net cash generated from financing activities was ₹165.09 lakhs. This was on account of repayment of borrowings, payment of finance cost and Payment of dividend.

In the Financial Year 2020, our net cash used in financing activities was ₹-287.67 lakhs. This was on account of repayment of borrowings, payment of finance cost and Payment of dividend.

In the Financial Year 2019, our net cash used in financing activities was ₹308.94 lakhs This was on account of repayment of borrowings and payment of finance cost.

## LIQUIDITY AND CAPITAL RESOURCES

(₹ In Lakhs)

| Sr. No | Category of borrowing  | Outstanding Amounts As of (in Rs. Lakhs) October 31, 2021 |
|--------|------------------------|---|
| 1      | Secured                |   |
|        | - Working Capital Loan | 290.79  |
|        | - Term Loan            | 595.09  |
|        | Sub Total (A)          | 885.88  |
| 2      | Unsecured              |   |
|        | - NBFC                 | 18.59   |
|        | - Others               | 231.96  |
|        | - Related Parties      | 16.00   |
|        | Sub Total (B)          | 266.55  |
|        | <b>Total (A+B)</b>     | <b>1,152.43</b>   |

## CONTINGENT LIABILITIES

### Contingent liabilities

As of October 31, 2021, the estimated amount of contingent liabilities and not provided for was ₹25.75 lakhs. For further information on our contingent liabilities and commitments, see “*Financial Information*” on page 144 of this Draft Prospectus.

### Capital expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for investments in property, plant and equipment for our facilities and other assets that shall be utilized to further our business operations. Our capital expenditures are mainly related to the purchase of fixed assets located in India. The primary source of financing for our capital expenditures has been cash generated from our operations and borrowings

## OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

## RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business including sale of goods, rent paid and managerial remuneration. For further information relating to our related party transactions, see “Financial Information – *Restated Financial Information – Notes to Restated Financial Information – Annexure XXXI - Related party disclosures*” on page 144.

### Reservations, Qualifications and Adverse Remarks by the statutory auditors

There are no reservations, qualifications and adverse remarks by our Statutory Auditors since incorporation / during the period reported.

Details of Default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution

There have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company for the seven months ended October 31, 2021 and Financial Year 2019, Financial Year 2020 and Financial Year 2021.

#### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, since incorporation during the period reported.

### **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates. In the normal course of business, we are exposed to certain market risks including foreign exchange rate risk and interest risk.

#### **Interest rate risk**

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

#### **Liquidity risk**

Adequate and timely cash availability for our operations is the liquidity risk associated with our operations. We have availed working capital limits for our business operations such as maintaining and operating facility, marketing and sales and enhance existing products and the failure to obtain such capital may adversely affect our growth prospects and future profitability.

#### **Credit Risk**

We are exposed to the risk that our counterparties may not comply with their obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. Our customer base majorly has creditworthy counterparties which limits the credit risk, however, there can be no assurance that our counterparties may not default on their obligations, which may adversely affect our business and financial condition.

#### **General**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the evaluation of liability is exposed to fluctuations in the yields as at the valuation date.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

**Unusual or infrequent events or transactions**

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

**Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 19, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 19, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**Future changes in relationship between costs and revenues**

Our Company’s future costs and revenues will be determined by demand/supply situation, both of the end products as well as the government policies and budget constraints of our customer(s).

**Increases in net sales or revenue and Introduction of new products or services or increased sales prices**

Increases in revenues are by and large linked to increases in volume of business and also dependent on the price realisation on our products.

**Status of any publicly announced New Products or Business Segment**

Except as disclosed elsewhere in the Draft Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

**Total Turnover of Each Major Industry Segment in Which the Issuer Operates**

Our business is limited to a production and marketing of food produce and is a single reportable segment. Details of the industry turnover and other relevant information is disclosed in the section “*Industry Overview*” beginning on page 75 of this Draft Prospectus.

**Seasonality of business**

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, we see an increase in our business during the festive periods and various seasons across the globe. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable sequentially and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods, see the section titled “*Risk Factors*” beginning on page 19.

**Any Major Dependence on a single or few suppliers or customers**

Our sale is well diversified amongst distributes and its not dependent on any individual distributor. This gives company pricing power and therefore this is company’s strength.

The % of contribution of our Company's customer vis-à-vis the total revenue from operations respectively as on Fiscal 2019, 2020 and 2021 is as follows:

| Particulars | Top Customers as a percentage (%) of revenues |             |             |             |
|-------------|---|-------------|-------------|-------------|
|             | Seven Months Ended October 31, 2021           | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
| Top 5       | 30.38   | 27.28       | 17.84       | 18.38       |
| Top 10      | 37.16   | 36.06       | 17.83       | 19.00       |

| Particulars | Top Suppliers as a percentage (%) of purchases |             |             |             |
|-------------|--|-------------|-------------|-------------|
|             | Seven Months Ended October 31, 2021            | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
| Top 5       | 41.08  | 49.05       | 80.82       | 56.82       |
| Top 10      | 82.38  | 59.70       | 82.41       | 59.14       |

#### ***Competitive conditions:***

Competitive conditions are as described under the chapters “***Industry Overview***” and “***Our Business***” beginning on pages 75 and 99 respectively.

#### **Significant Developments after October 31, 2021 that may affect our results of operations**

There have not arisen, since the date of the last financial statements disclosed in this Draft Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months. For further information, see “***Management's Discussion and Analysis of Financial Condition and Results of Operation***”, “***Our Business***”, “***History and Certain Corporate Matters***” and “***Risk Factors***” on pages 184, 99, 112 and 19 respectively. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The current outbreak of COVID-19 pandemic has adversely impacted the global economy. The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020 and a pandemic on March 11, 2020. The Government of India announced a nation-wide lockdown on March 24, 2020 and imposed several restrictions. Subsequently in view of the second wave of COVID-19, various state governments had imposed a complete lockdown on or about the beginning of May, 2021. However, as we are engaged in import/export and trading of agricultural produce and commodities which are ‘essential goods’, our operations were not shut down during this pandemic. However, due to limited availability of labour, logistics and supply chain constraints, our business were impacted during the initial period of the lockdown. We continued our operations and business activities after making arrangements to meet the government's requirements on sanitization, people movement and social distancing.

Since, the relaxation of the aforementioned restrictions, our procurement, day to day operations and logistics have become more regular. 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 19 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 “***Management's Discussion and Analysis of Financial Condition and Results of Operations***” on page 184 of this Draft Prospectus.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no i) outstanding criminal proceedings involving our Company, Subsidiaries, Group Companies, Promoters or Directors; (ii) outstanding actions by statutory or regulatory authorities involving our Company, Subsidiaries, Group Companies, Promoter or Directors; (iii) outstanding claims involving our Company, Subsidiaries, Group Companies, Promoter or Directors for any direct or indirect tax liabilities; (iv) outstanding litigations as determined to be material by our Board as per the Materiality Policy in accordance with the SEBI ICDR Regulations; (v) disciplinary actions including penalty imposed by the SEBI or stock exchange against our Promoter in the last five Financial Years including outstanding action; (vi) outstanding litigation involving our Group Companies which has a material impact on our Company.*

*Our Board, in its meeting held on November 09, 2021 determined that all pending litigation involving our Company, our Subsidiary, Directors, Promoters and Group Companies, other than criminal proceedings and statutory or regulatory actions, disciplinary actions including penalty imposed by SEBI or stock exchanges, claims related to direct and indirect taxes, would be considered ‘material’ if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ₹ 1 lakh (“**Material Litigation**”).*

*Our Board of Directors considers dues owed by our Company to the small-scale undertakings and other creditors exceeding ‘10% of the cost of material purchased’ as per the last audited restated financial statements of the Company as material dues for purpose of disclosures. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on November 09, 2021. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“**MSME**”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

*All terms defined in a particular litigation are for that particular litigation only.*

#### **I. LITIGATION INVOLVING OUR COMPANY**

##### **A. Litigation against our Company**

*Criminal Proceedings*

**Nil**

##### **1. Actions taken by Statutory/Regulatory Authorities**

**Nil**

##### **2. Tax Proceedings**

Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

| (₹ in Lakhs)        |                 |                  |
|---------------------|-----------------|------------------|
| Particulars         | Number of cases | Amount involved* |
| <b>Indirect Tax</b> |                 |                  |
| Sales Tax/VAT       | Nil             | Nil              |
| Central Excise      | Nil             | Nil              |
| Customs             | Nil             | Nil              |
| Service Tax         | Nil             | Nil              |
| <b>Total</b>        | Nil             | Nil              |
| <b>Direct Tax</b>   |                 |                  |



|   |     |       |
|---|-----|-------|
| Cases filed against our Company<br>(refer note 'a') | 01  | 25.75 |
| Cases filed by our Company                          | Nil | Nil   |

*\*To the extent quantifiable*

a) A demand notice dated December 21, 2018 u/s 156 of the Income Tax Act, 1961 (“**IT Act**”) for an amount of ₹25,75,839 was issued to our Company by Office of Assistant Commissioner of Income Tax, Circle 9(2)(2), Mumbai for the assessment year 2016-2017. The return of income for assessment year 2016-2017 was filed by our Company on October 17, 2016 and net taxable income was declared as ₹71,95,490 after claiming a deduction of ₹66,43,462 u/s 80JJA of IT Act. The deduction claimed by our Company u/s 80JJA of the Act was rejected by the Learned Assessing Officer on the following grounds; (1) Company had not allocated the cost of cashew shells being waste generated during the process of production of cashew nuts and used for production of organic manure. Such non allocation of cost of cashew shells had resulted to higher profit from sale of organic manure and hence higher deduction is claimed in the return of income filed; and (2) Company did not prove the genuineness of sales of organic manure transaction, the profit of which was eligible for deduction u/s 80JJA of the IT Act. Such rejection of the deduction claimed by our Company resulted into a demand of ₹25,75,839 which was claimed under demand notice dated December 21, 2018 issued to our Company. Being aggrieved by rejection of deduction claimed by our Company u/s 80JJA by the Assistant Commissioner of Income Tax, Circle 9(2)(2), Mumbai, our Company has preferred an appeal u/s 246A of the IT Act to Commissioner of Income Tax (Appeals). The matter is presently pending before appeal.

### 3. *Disciplinary action taken by SEBI or Stock Exchange*

**Nil**

### 4. *Other Material Litigations*

**Nil**

## **B. Litigation by our Company**

### 1. *Criminal Proceedings*

**Nil**

### 2. *Civil and other Material Litigations*

**Nil**

## **II. LITIGATION INVOLVING OUR PROMOTERS**

### **A. Cases filed against our Promoters**

### 1. *Criminal Proceedings*

**Nil**

### 2. *Actions taken by Statutory/Regulatory Authorities*

**Nil**

### 3. *Tax Proceedings*

**Nil**

### 4. *Other Material Litigations*

Nil

**B. Cases filed against our Promoters**

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

**C. Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals**

As on date of this Draft Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoters in the last five Fiscals including any outstanding action.

**III. LITIGATION INVOLVING OUR DIRECTORS**

**A. Cases filed against our Directors**

1. *Criminal Proceedings*

Nil

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Disciplinary action taken by SEBI or stock exchanges*

Nil

4. *Tax Proceedings*

Nil

5. *Other Material Litigations*

Nil

**B. Cases filed by our Directors**

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

**IV. LITIGATION INVOLVING OUR SUBSIDIARY**

**A. Outstanding litigation against our Subsidiaries**

*Criminal proceedings*

Nil

*Actions by regulatory and statutory authorities involving our Subsidiaries*

Nil

*Civil proceedings*

Nil

*Tax proceedings*

Nil

## **B. Outstanding litigation by our Subsidiaries**

*Criminal proceedings*

Nil

*Civil proceedings*

Nil

## **V. LITIGATION INVOLVING OUR GROUP COMPANY**

Empyrean Speciality Sugar and Biomass Limited has received a demand notice dated December 29, 2019 under Section 156 of Income Tax Act, 1961 (“**IT Act**”) by Income Tax Department, Office of Income Tax Officer, Mumbai for payment of ₹114.19 Lakhs. Our Group Company has preferred an appeal against the said notice to Commissioner of Income Tax (Appeals) and the matter is presently pending before appeal.

## **VI. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

Our Board, in its meeting held on November 09, 2021 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of the materiality policy, creditors of our Company to whom an amount exceeding 10% of our total cost of material purchase as per last audited financial statements was outstanding, were considered ‘material’ creditors. As per the Restated Financial Information, our total cost of material purchase for seven months period ended October 31, 2021 was ₹2,483.58, accordingly creditors to whom outstanding dues exceed ₹248.36 Lakhs have been considered as material creditors for the purposes of disclosure in this Draft Prospectus. Based on this criteria, details of outstanding dues owed as on October 31, 2021 by our Company are set out

| <b>Particulars</b>                                      | <b>No. of Creditors</b> | <b>Amount (₹)</b>  |
|---|-------------------------|--------------------|
| Outstanding dues to micro, small and medium enterprises | -                       | -                  |
| Outstanding dues to other creditor                      | <b>40</b>               | <b>2,17,15,603</b> |
| <b>Total Outstanding Dues</b>                           | <b>40</b>               | <b>2,17,15,603</b> |

In terms of materiality resolution dated November 09, 2021 our Company has ‘Nil’ materials creditor(s), as on date of this Draft Prospectus.

## **VII. MATERIAL DEVELOPMENTS SINCE OCTOBER 31, 2021**

Except as disclosed in Chapter titled “*Management’s Discussion and Analysis of Financial Conditions & Results of Operations*” beginning on page 184 of this Draft Prospectus, there have been no material developments that have

occurred after the Last Balance Sheet date.

#### **VIII. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*We are required to obtain consents, licenses, registrations, permissions and approvals to carry out our present business activities. Our Company has obtained the material consents, licenses, registration, permissions and approvals from Government and various Government agencies required for our present business and carrying on our business activities. For details in connection with the regulatory and legal framework within which we operate, please see section titled “Key Industrial Regulations and Policies” on page 108 of this Draft Prospectus. The main objects clause of the Memorandum of Association and objects incidental to main objects enable our Company to carry out its activities.*

*The following statements set out the details of licenses, permissions and approvals taken by our Company under various central and state laws for carrying out the business.*

### **I. Issue related Approvals**

For the approvals and authorizations obtained by our Company in relation to the Issue, please see section titled “**Other Regulatory and Statutory Disclosures – Authority for the Issue**” on page 214 of this Draft Prospectus.

### **II. Approvals from the Stock Exchange**

- a) Our Company has received an in-principle approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the Issue.
- b) Our Company’s ISIN is **INE0GGO01015**.

### **III. General Approvals**

- a) Certificate of Incorporation dated March 21, 2014 under the Companies Act, 1956 issued by Registrar of Companies Mumbai, Maharashtra.
- b) Fresh Certificate of Incorporation dated November 22, 2021 bearing CIN U74120MH2014PLC254748 under the Companies Act, 2013 issued by Registrar of Companies, Mumbai, Maharashtra pursuant to conversion of our Company from a private limited company to a public limited company and subsequent change of name to “Empyrean Cashews Limited”.
- c)
- d) Certificate of Importer-Exporter Code dated November 01, 2016 bearing IEC number 0316961141 issued by Directorate General of Foreign Trade, Ministry of Commerce and Industry.
- e)
- f) Udyam Registration certificate dated December 22, 2020 bearing number UDYAM-MH-01-0013353 issued by Ministry of Micro, Small and Medium Enterprises, Government of India.
- g)
- h) Legal Entity Identifier code 335800XJ9JTSSB9NJU31 issued by Legal Entity Identifier India Limited which shall be valid till August 30, 2022.

### **IV. Tax Related Approvals**

- a) Our Company’s Permanent Account Number dated March 21, 2014 issued by Income Tax Department is AADCE6583A.
- b) Registration certificate of Goods and Services Tax (Maharashtra) dated July 30, 2021 bearing registration number 27AADCE6583A1ZR issued by the Government of India.
- c) Profession Tax Payer Registration Certificate (Maharashtra) dated July 25, 2018 bearing registration number 27581076329P issued under The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

## V. Business Related Approvals

As mentioned hereinabove, we require various approvals, licenses, registrations and permits to carry on our operations in India. Some of these may expire in the ordinary course of business and applications for renewal of such approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by our Company for conducting our operations is provided below.

The following list of business-related approvals which have been availed for our Unit-1/Processing Unit situated at Gat No.12, Village Halkarni, Taluka Chandgad, District Kolhapur, Maharashtra.

| Sr. No | Type of License/Approval   | Issuing Authority   | Reference / License No.               | Registration / | Date of Issue/Renewal | Valid up to   |
|--------|--|---|---------------------------------------|----------------|-----------------------|---|
| 1.     | Consent order for establishment under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention and Control of Pollution) Act, 1981. | Maharashtra Pollution Control Board (Regional Office Kolhapur)        | RO-KOLHAPUR/CONSENT/1703002035/371/17 |                | April 4, 2017         | Upto commissioning of unit or five (5) years whichever is earlier |
| 2.     | State License under the Food Safety & Standards Act, 2006 for general manufacturing of cashews   | Central Licensing Authority FSSAI                                     | 11515043001197                        |                | December 09, 2021     | December 31, 2022   |
| 3.     | No Objection Certiifcate with respect to installation of fire preventive systems   | Rural Development Officer (Grampanchayat Halkrani, District Kolhapur) | -                                     |                | January 22, 2021      | -   |

The following list of business-related approvals which have been availed for our Unit-2/Packaging Unit situated at Gat No. 89/B, Village Shinoli, Taluka Chandgad, District Kolhapur, Maharashtra.



| Sr. No | Type of License/Approval  | Issuing Authority         | Reference / License No. | Registration / | Date of Issue/Renewal | Valid up to       |
|--------|---|---------------------------|-------------------------|----------------|-----------------------|-------------------|
| 1.     | Certificate of Registration issued for recognition of quality management system which complied with ISO 9001:2015 in processing and sale of dry fruits. | LMS Certification Limited | IN91661A                |                | February 12, 2021     | February 11, 2024 |
| 2.     | Certificate of Registration issued for recognition of food management system which complied with  | LMS Certification Limited | IN91661D                |                | February 12, 2021     | February 11, 2024 |

| Sr. No. | Type of License/Approval   | Issuing Authority                   | Reference / License No.         | Registration / | Date of Issue/Renewal | Valid up to      |
|---------|--|-------------------------------------|---------------------------------|----------------|-----------------------|------------------|
|         | ISO 22000:2018 processing and sale of dry fruits   |                                     |                                 |                |                       |                  |
| 3.      | Consent to operate under Orange Category under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 for; a) manufacturing cashew nuts; b) discharge of domestic effluent; c) emissions through boiler | Maharashtra Pollution Control Board | RO/UAN 0000118296/CO/2109001161 | No.            | September 22, 2021    | October 31, 2025 |

## VI. Intellectual Property Related Approvals

### a) Trademarks

Our Company owns the following trademarks

| Sr. No. | Trade Mark Type   | Description                     | Class | Registration Number | Valid up to        |
|---------|---|---------------------------------|-------|---------------------|--------------------|
| 1.      | Device  | Krishival Cashews               | 30    | 3211469             | March 16, 2026     |
|         |  |                                 |       |                     |                    |
| 2.      | Device  | La Celebro Splendid Celebration | 29    | 3645833             | September 28, 2027 |
|         |  |                                 |       |                     |                    |

## VII. Licenses and approvals for which applications have been made by our Company under Factories Act 1948, ("Factories Act") and Maharashtra Factories Rules, 1963 ("Maharashtra Factories Rules") that are pending before applicable authorities.

- Our Company vide its application in Form 1-A dated January 14, 2022 has applied for certificate of stability to the Chief Inspector of Factories (Maharashtra) for carrying out the manufacturing process under Rule 3A of Maharashtra Factories Rules, for our Processing Unit and Packaging Unit.
- Our Company vide its application in Form 2 and Form 3 dated January 14, 2022 has applied for registration and grant of license to the Chief Inspector of Factories (Maharashtra) under Rule 5 and Rule 8 of Maharashtra Factories Rules and under S.6 and S.7 of Factories Act for our Processing Unit and Packaging Unit.
- Our Company vide its application in Form 4 dated January 14, 2022 has applied for registration for license to work a factory to the Chief Inspector of Factories (Maharashtra) under Rule 15 of Maharashtra Factories Rules for our Processing Unit and Packaging Unit.

- d) Our Company has applied for consent to establish and consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 and under Air (Prevention and Control of Pollution) Act, 1981 for Packaging Unit and Processing Unit respectively.

**VIII. Licenses and approvals for which renewal applications have been made by our Company.**

- a) Our Company has applied for the allotment of fresh code number to the Regional Provident Fund Commissioner, Maharashtra.

**IX. Licenses and approvals for which applications have been made by our Subsidiary Company in relation to its business operations.**

*Our Subsidiary Company, i.e., Siddhivinayak Cashew Industries Private Limited has recently been incorporated on September 30, 2021 and has not yet commenced any commercial production, processing or manufacturing operations which require any prior material approvals, consents or licenses from applicable regulatory and statutory authorities.*

*As and when our Subsidiary Company commences its business operations, it will comply with the applicable rules and regulations and apply for necessary licenses, consents and approvals to the regulatory and statutory authorities.*



## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

Our Board has approved the Issue pursuant to the resolution passed at its meeting held on December 24, 2021 and our Shareholders have approved the Issue pursuant to a resolution dated January 18, 2022, in terms of Section 62(1)(c) of the Companies Act, 2013. Further, our Board and the IPO Committee pursuant to their resolutions dated February 03, 2022 and February 04, 2022 have approved this Draft Prospectus for filing with the Stock Exchange.

Our Company has received in-principle approval for the listing of our Equity Shares from NSE Emerge pursuant to their letter dated [●].

### **Prohibition by SEBI or other Governmental Authorities**

Our Company, Promoters, Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Prospectus.

### **Directors associated with the Securities Market**

None of our Directors are associated with the securities market in any manner. Further, there is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Prospectus.

Our Promoters or our Directors have not been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.

### **Prohibition by RBI**

Neither our Company or Promoters nor our Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Neither our Company and none of our Promoters or Directors have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Fraud-Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

### **Compliance with Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable.

### **Eligibility for the Issue**

Our Company is eligible for the Issue in accordance with regulation 229(1) and other provisions of Chapter IX of the SEBI ICDR Regulations as the post issue face value capital is less than 1,000 Lakhs, Our Company also complied with eligibility conditions laid by the NSE EMERGE for listing of our Equity Shares.

### **We confirm that:**

- 1) In accordance with regulation 260 of the SEBI ICDR Regulations, this Issue will be 100% underwritten and shall not restrict to the minimum subscription level. The Lead Manger shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please see section titled "**General Information**" beginning on page 42 of this Draft Prospectus.

- 2) In accordance with Regulation 268(1) of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013 shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- 3) We have filed Draft Prospectus with Stock Exchange. The Draft Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Issue Document in terms of Regulation 246 of SEBI ICDR. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Prospectus shall also be furnished to the SEBI in a soft copy.
- 4) In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement please see section titled “**General Information**” beginning on page 42 of this Draft Prospectus.
- 5) Our Company is incorporated under the Companies Act, 1956.
- 6) The Company has track record of 3 years and positive cash accruals (earnings before depreciation and tax) from operations for at least two (2) financial years preceding the date of filing of this Draft Prospectus.

| Particulars  | For the seven months period ended October 31, 2021 | For the year ended March 31, |        |        |
|--|--|------------------------------|--------|--------|
|  |  | 2021                         | 2020   | 2019   |
| Earnings before interest, depreciation and tax (EBITD) | 401.72   | 364.96                       | 412.63 | 377.00 |

- 7) Net worth of the Company is positive.

| Particulars | For the seven months period ended October 31, 2021 | For the year ended March 31, |          |          |
|-------------|--|------------------------------|----------|----------|
|             |  | 2021                         | 2020     | 2019     |
| Net Worth   | 2,110.63   | 1,943.94                     | 1,938.25 | 1,722.14 |

- 8) The Company has not been referred to Board for Industrial and Financial Reconstruction.
- 9) No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
- 10) No petition for winding up is admitted by a court of competent jurisdiction against the Company.

- 11) The Company has website [www.krishival.com](http://www.krishival.com)
- 12) There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company (ies), Group Company, companies promoted by the promoters/promoting companies of the Company.
- 13) There is no default of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting company (ies), Group Company, companies promoted by the promoters/promoting companies of the Company.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI ICDR Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **Disclaimer clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER SYSTEMATIX CORPORATE SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MANAGER, SYSTEMATIX CORPORATE SERVICES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SYSTEMATIX CORPORATE SERVICES LIMITED, HAS FURNISHED TO SEBI IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT 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.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of Draft Prospectus with Registrar of Companies, Mumbai in terms of Section 26 and 32 of Companies Act, 2013.

#### **Disclaimer statement from our Company and the Lead Manager**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in the Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone

placing reliance on any other source of information, including our website, [www.krishival.com](http://www.krishival.com) would be doing so at his or her own risk.

Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters our Company.

All information will be made available by the Lead Manager, Underwriters, Syndicate members and our Company to the public and bidders at large and no selective or additional information would be available for any section of the bidders in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the Lead Manager or any other member of the Syndicate shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

### **Caution**

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. Our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any bidders on whether such bidder is eligible to acquire Equity Shares.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company 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 our Company and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

### **Price information of past issues handled by the Lead Manger**

#### **SYSTEMATIX CORPORATE SERVICES LIMITED**

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Systematix Corporate Services Limited.

**Nil**

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Systematix Corporate Services Limited.

**Nil**

### **Disclaimer in respect of jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the

Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹2,500 Lakhs, pension funds with minimum corpus of ₹2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft 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, Maharashtra only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with National Stock Exchange of India Limited for its observations and National Stock Exchange of India Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Prospectus in each jurisdiction, including India.

#### **Disclaimer clause of the National Stock Exchange Limited**

As required, a copy of this Draft Prospectus has been submitted to NSE EMERGE. NSE EMERGE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Draft Prospectus as the stock exchange on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by National Stock Exchange of India Limited should not in any way be deemed or construed that the Issue Document has been cleared or approved by National Stock Exchange of India Limited; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this issue document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed.

#### **Listing**

An application has been made to the NSE EMERGE for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The NSE EMERGE has given its in-principle approval for using its name in our Draft Prospectus vide its letter [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE EMERGE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e., from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 working days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI ICDR Regulations.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE mentioned above are taken within six Working Days from the Issue Closing Date.

### **Consents**

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor & Peer Reviewed Auditor, Banker(s) to the Company and (b) Lead Manager, Syndicate Member, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue and Sponsor Bank, Legal Advisor to the Issue, to act in their respective capacities have been obtained and shall be filed along with a copy of the Draft Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC.

### **Expert to the Issue**

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

Our Company has received written consent dated February 04, 2022 from our Statutory Auditor, namely, M/s. Tamanna Jain & Associates., Chartered Accountants, who hold a valid peer review certificate, to include their name as required under Section 26(5) of the Companies Act 2013 in this Draft Prospectus and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination report dated February 03, 2022 on the Audited Restated Financial Information and such consent has not been withdrawn as of the date of this Draft Prospectus.

### **Previous Rights and Public Issues**

Except as stated in the section titled “*Capital Structure*” beginning on page 49 of this Draft Prospectus, we have not made any previous rights and/or public issues during last 5 years, and are an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Issue” in terms of the SEBI ICDR Regulations.

### **Commission and brokerage**

Since this Initial Public Offer of Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the last 5 years.

### **Capital issue during the previous three years by the Company and Listed Group Company /Subsidiaries/Associates**

Our Company has not undertaken a capital issue during the immediately preceding three years of this Draft Prospectus. We confirm that none of our Group Company, Subsidiary Company or Associate Companies are listed on any stock exchange in India or abroad.

**Promise versus performance of our Company and/or listed subsidiary company and/or listed promoter company**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us. Further, none of our Group Company or are listed on any stock exchange, so, data regarding promise versus performance is not applicable.

**Stock market data for our Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

**Mechanism for redressal of investor grievances**

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, UPI Id (if applicable), number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidders.

Further, none of our subsidiary companies or Group Company are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

**Disposal of Investor Grievances by our Company**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non- routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on October 27, 2021. For further details, please see the section titled “***Our Management***” beginning on page 117 of this Draft Prospectus.

Our Company has appointed Rahul Suresh Gawande as Company Secretary and Compliance Officer and he may be contacted pre-Issue or post-Issue related problems, at the address set forth hereunder:

**Rahul Suresh Gawande**

**Empyrean Cashews Limited**

1309, Lodha Supremus Powai,

Saki Vihar Road, opposite MTNL office,

Powai Mumba– 400072, Maharashtra, India

**Tel:** 8779558264

**E-mail:** [cs@krishival.com](mailto:cs@krishival.com)

## SECTION VII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of this Draft Prospectus, Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, 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 FIPB, the Stock Exchanges, 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 SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their 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 this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue shall use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

#### Authority for the Issue

The present Public Issue of up to 52,47,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on dated December 24, 2021 and was approved by the Shareholders of the Company by passing Special Resolution at the Extraordinary General Meeting held on January 18, 2022 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### Ranking of Equity Shares

The Equity Shares being issued the Issue shall be subject to the provisions of the Companies Act, 2013, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum of Association and Articles of Association and shall rank pari – passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with applicable law. For further details, please see section titled “*Main Provisions of Articles of Association*” beginning on page 260 of this Draft Prospectus.

#### Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our Shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared, after the date of Allotment in this Issue, will be received by the Allottees. For more information, please see sections titled “*Dividend Policy*” and “*Main Provisions of Articles of Association*” on pages 143 and 260 of this Draft Prospectus, respectively.

#### Face Value and Issue Price Per Share

The Equity Shares having a Face Value of ₹10.00/- each are being offered in terms of the Draft Prospectus/Prospectus at the price of ₹37/- per Equity Share (including premium of ₹27/- per share).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under section titled “*Basis for Issue Price*” beginning on page 66 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.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or 'e-voting', in accordance with the provisions of the Companies Act;
- Right to receive issue 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 law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, Transfer, Transmission, consolidation and splitting, please see the section titled “**Main Provisions of Articles of Association**” beginning on page 260 of this Draft Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated January 20, 2021 amongst NSDL, our Company and the Registrar to the Issue.
- Tripartite Agreement dated December 28, 2020 amongst CDSL, our Company and the Registrar to the Issue.

The trading of the Equity Shares will happen in the minimum contract/lot size of 3,000 Equity Shares and the same may be modified by the NSE Emerge 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 3,000 Equity Share subject to a minimum allotment of 3,000 Equity Shares to the successful applicants in terms of SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per application.

### **Minimum Number of Allottees**

In accordance with the Regulation 268 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 blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India .

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with benefits of survivorship.

#### **Compliance with SEBI ICDR Regulations**

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **Nomination Facility to Bidders**

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be 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

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety 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 investor wants to change the nomination, they are requested to inform their respective depository participant.

#### **Withdrawal of the Issue**

In accordance with SEBI ICDR Regulations, the Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the Public Issue Account shall be transferred to the Refund Account.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public issue of Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Draft Prospectus after it is filed with the ROC.

### **Bid/ Issue Opening Date**

|  |     |
|--|-----|
| Bid / Issue Opening Date   | [●] |
| Bid / Issue Closing Date   | [●] |
| <ul style="list-style-type: none"> <li>➤ In terms of regulation 265 of SEBI ICDR Regulation, 2018, the issue shall be open after at least three working days from the date of filing the prospectus with the Registrar of Companies.</li> <li>➤ In terms of regulation 266(1) of SEBI ICDR Regulation, 2018, Except as otherwise provided in these regulations, the public issue shall be kept open for at least three working days and not more than ten working days</li> <li>➤ In terms of regulation 266(2) of the SEBI ICDR Regulation, 2018, In case of a revision in the price band, the issuer shall extend the bidding (issue) period disclosed in the draft prospectus, for a minimum of three working days, subject to the provision of sub-regulation (1) is not applicable to our company as this is a fixed price</li> <li>➤ In terms of regulation 266(3) of SEBI ICDR Regulation, 2018, In case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the issue period disclosed in the draft prospectus, for a minimum period of three working days, subject to the provision of sub-regulation 266(1)</li> </ul> |     |

An indicative timetable in respect of the Issue is set out below:

| Event   | Indicative Date |
|---|-----------------|
| Issue Closing Date  | [●]             |
| Finalization of Basis of Allotment with NSE                     | [●]             |
| Initiation of Refunds / unblocking of funds from ASBA Account * | [●]             |
| Credit of Equity Shares to demat account of the Allotees        | [●]             |
| Commencement of trading of the Equity Shares in NSE             | [●]             |

*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated in accordance with the applicable law by the intermediary responsible for causing such delay in unblocking. The LM shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no.*

*SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and 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, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE is taken within six Working Days from the Issue Closing Date, the time table 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.

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and NSE taking into account the total number of applications received up to the closure of timings.

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this draft prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Stock 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 SCSBs / RTAs/DPs / stock brokers, as the case may be, for the rectified data.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvment 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 fifteen days after our Company becomes 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 or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

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 the Draft Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268 of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014 our Company will have to be mandatorily listed and traded on the NSE EMERGE 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 NSE 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 Regulations, our company may migrate to the Main board of NSE from the NSE EMERGE on a later date subject to the following:

- If the Paid up Capital of our Company is likely to increase above ₹2,500 Lakhs by virtue of any further issue of capital by way of rights issue, 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), our Company shall apply to National Stock Exchange of India Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- If the Paid up Capital of our company is more than ₹1,000 Lakhs but below ₹2,500 Lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and 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 NSE Emerge with compulsory market making through the registered Market Maker of the 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 NSE Emerge. For further details of the market making arrangement agreement entered into between the Company, the Lead Manager and the Market Maker please see section titled “*General Information*” beginning on page 42 of this Draft Prospectus.

### **Arrangement for Disposal of Odd Lot**

**The trading of the equity shares will happen in the minimum contract size of 3,000 equity shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However in terms of Regulation 261(5) of SEBI ICDR Regulations 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 NSE EMERGE.**

#### **Option to receive Securities in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange. Applicants will not have the option of Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

#### **Restrictions on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the section titled "**Capital Structure**" beginning on page 49 of this Draft Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please see the section titled "**Main Provisions of the Articles of Association**" beginning on page 260 of this Draft Prospectus.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one widely circulated English language national daily newspaper, one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of the 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 and regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI ICDR Regulations as amended from time to time, whereby, an issue or whose post issue paid up face value capital is less than and equal to ₹2,500 Lakhs, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE EMERGE). For further details regarding the salient features and terms of such an issue please refer sections title “*Terms of the Issue*” an “*Issue Procedure*” on page 221 and 230 of this Draft Prospectus.

The Issue comprises of a Public Issu“ of upto 52,47,000 Equity Shares of face value of ₹10/- each fully paid (The “**Equity Shares**”) for cash at a price of ₹37/- per Equity Shares (including a share premium ₹27/- per Equity Share) aggregating up to ₹1,941.39 Lakhs (“**The Issue**”) by our Company of which 2,64,000 Equity Shares of ₹37/- each will be reserved for subscription by Market Maker (“**Market Maker Reservation Portion**”) and a Net Issue to public of 49,83,000 Equity Shares of ₹37/- each is hereinafter referred to as the Net Issue. The Issue and the Net Issue will constitute 26.50 % and 25.18 % respectively of the post issue paid up Equity Share Capital of our Company.

| Particulars of the Issue  | Net Issue to Public*   | Market Maker Reservation Portion                                    |
|---|--|---|
| <b>Number of Equity Shares*</b>   | 49,83,000  | 2,64,000  |
| <b>Percentage of Issue Size available for allocation</b>                      | 94.97% of the Issue Size<br>25.18 % of the Post Issue paid up capital  | 5.03% of the Issue Size<br>1.33 % of the Post Issue paid up capital |
| <b>Basis of Allotment/Allocation if respective category is oversubscribed</b> | Proportionate subject to minimum allotment of 3,000 Equity Shares and Further allotment in multiples of 3,000 Equity Shares each. For further details, please see the section titled “ <i>Issue Procedure</i> ” on page 230 of this Draft Prospectus.  | Firm Allotment  |
| <b>Mode of Application</b>  | Retail Individual Investors may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI Payment facility) shall apply through ASBA Only.  | Through ASBA mode only.   |
| <b>Minimum Application Size</b>   | <b>For QIB and NII</b><br>Such number of Equity Shares in multiples of 3,000 at the price of ₹37/- per Equity Share such that the Application Value exceeds ₹2.00 Lakhs.<br><br><b>For Retail Individuals</b><br>Such number of Equity Shares where the application size is of at least 3,000 Equity Shares. | 2,64,000 Equity Shares at ₹ 37/- per Equity Share                   |
| <b>Maximum Bid</b>  | <b>For QIB and NII:</b><br>Such number of Equity Shares in multiples of 3,000 at the price of ₹37/- per Equity Share such that the Application Size does not exceed 52,47,000 Equity Shares i.e., the Issue Size.  | 2,64,000 Equity Shares ₹37/- per Equity Share                       |

|                          |   |   |
|--------------------------|---|---|
|                          | <b>For Retail Individuals</b><br>3,000 Equity Shares at Issue Price of ₹37/- per Equity Share |   |
| <b>Mode of Allotment</b> | Compulsorily in dematerialized form   | Compulsorily in dematerialized form   |
| <b>Trading Lot</b>       | 3,000 Equity Shares   | 3,000 Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI ICDR Regulations. |
| <b>Terms of payment</b>  | The entire Application Amount will be payable at the time of submission of Application Form.  |   |

This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations, 2018, as amended from time to time.

\*Since present Issue is a Fixed Price Issue, the allocation in the Net Issue to the public category in terms of Regulation 253 of the SEBI ICDR Regulations, 2018 shall be made as follows:

- Minimum of 50% of the Net Issue of shares to the public shall be made available for Retail Individual Investors; and
- The balance Net Issue of shares to the Public shall be made available for allotment to individual Applicants other than Retail Individual Applicant and other Investors including Non-Institutional Investors, Qualified Institution Buyers, Corporate Bodies/ Institutions.

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

#### **Withdrawal of the Issue**

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

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional (Marathi) newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of the Draft Prospectus with the ROC.



## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the General Information Document) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Lead Manager. Please see the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (CAN) and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager shall not be held liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Pursuant to the SEBI ICDR Regulations, 2018 the ASBA process is mandatory for all investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. 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 (UPI Circular) in addition to ASBA Process has introduced an alternate payment mechanism using Unified Payments Interface (UPI), consequent reduction in timelines for listing in a phased manner. Further, SEBI vide its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 has notified Phase II for detail implementation refers below Phased implementation of Unified Payments Interface. Applicants applying through the ASBA process or UPI Mechanism should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs hence applicant shall ensure that ASBA Bank Account has sufficient Balance.

ASBA Applicants are required to submit ASBA Applications to the selected branches/offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange.

### Phase implementation of Unified Payments Interface

SEBI has issued a circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 updated pursuant to the SEBI Circular bearing Number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019 (Collectively the UPI Circular) in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI circular, Unified Payments Interface will be introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Investors through intermediaries with the object 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 transaction to the UPI Payment mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases. Further SEBI has issued vide its circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 implementation of Phase II, shall stand modified to the extent stated under the circular i.e., SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 and circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020. This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public issues and redressing investor grievances. This circular shall come into force for initial public issues opening on/or after May 01, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Draft Prospectus.

### **Fixed Price Issue procedure**

The Issue is being made under Chapter IX of SEBI ICDR Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including corporate bodies or institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors 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 Investors category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. However, the Application by an Investor should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchange or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Investor and Retail Individual Investor, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. Applicants will not have the option of getting allotment of the Equity Shares in physical form.** However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

## Availability of Draft Prospectus/Prospectus and Application Forms

Copies of the Application Form and the Draft prospectus/Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus/Prospectus. All the Applicants (other than Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour for Application Form is as follows:

| Category   | Colour of Application Form |
|--|----------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)** | White*                     |
| Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)**        | Blue*                      |

\*Excluding electronic Application Form.

\*\*Application Forms will also be available on the website of the NSE (<https://www.nseindia.com>). Same Application Form applies to all ASBA Applicants/ Retail Individual Investors applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities)

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic bidding system of the Stock Exchange. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSBs, where the Applicant has a bank account and shall not submit it to any Non-SCSB bank or any Bank. For RIIs using UPI mechanism, the Stock Exchange 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.

## Submission and Acceptance of Application Form

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “Designated Intermediaries”).

| Sr. No | Designated Intermediaries                                       |
|--------|---|
| 1.     | An SCSB, with whom the bank account to be blocked is maintained |
| 2.     | A syndicate member (or sub-syndicate member)                    |

|    |  |
|----|--|
| 3. | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”) |
| 4. | A depository participant (“DP”) (whose name is mentioned on the website of stock exchange as eligible for this activity)   |
| 5. | Registrar to an issue and share transfer agent (RTA) (whose name is mentioned on the website of the stock exchange as eligible for this activity)                      |

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Application Forms to SCSBs only.

The upload of all details in the electronic bidding system of stock exchange will be done by:

|   |  |
|---|--|
| <b>For Applications submitted by investors to SCSB:</b>   | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchanges(s) and may by blocking funds available in the bank account specified in the form, to the extent of the application money specified   |
| <b>For Applications submitted by investors to intermediaries other than SCSBs without use of UPI for payment:</b> | After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.  |
| <b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>    | After accepting the application form, respective intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of stock exchange(s). Stock Exchange shall share bid details including the UPI ID with Sponsor Bank on a continuous basis, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds. Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account. |

Stock exchange(s) shall validate the electronic bid details with depository’s records for DP ID/ClientID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and resubmission within the time specified by stock exchange

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Application are deemed to have authorised our Company to make the necessary changes in the prospectus, without prior or subsequent notice of such changes to the Applicants.

### Who can apply?

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- a) FPIs other than Category III foreign portfolio investor;

- b) Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors (NIIs) category;
- c) Mutual Funds registered with SEBI;
- d) VCFs registered with SEBI;
- e) FVCIs registered with SEBI
- f) Multilateral and bilateral development financial institutions;
- g) State Industrial Development Corporations
- h) Insurance companies registered with Insurance Regulatory and Development Authority;
- i) Provident Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
- j) Pension Funds with a minimum corpus of ₹250 million and who are authorised under their constitution to hold and invest in equity shares;
- k) National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- l) Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
- m) Nominated Investor and Market Maker
- n) Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares
- o) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **Applications not to be made by:**

- 1. Minors (except under guardianship)
- 2. Partnership firms or their nominees
- 3. Overseas Corporate Bodies

*The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs” for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.*

*The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.*

#### **Participation by associates/affiliates of the Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

#### **Option to subscribe to the Issue**

- 1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialized subsequent to allotment.

2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

#### **Application by HUF**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

#### **Application by Mutual Funds**

Application made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

#### **Application by Indian public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares issued to the public.

#### **Application by Eligible NRIs/FII's on Repatriation Basis**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (NRO) accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (PIS) is subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the

shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

### **Application by FPIs**

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased upto the sectoral cap by way of a resolution passed by our Board followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the FPI Regulations, an FPI, by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated Depository Participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

### **Application by SEBI registered VCFs, AIFs and FVCIs**

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs. Accordingly, the holding by any individual VCF registered with SEBI in one (1) venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering. Category I and II AIFs cannot invest more than 25% of their corpus in one (1) investee company. A category III AIF cannot invest more than 10% of their investible funds in one (1) investee company. A venture capital fund registered as a category I AIF, as defined in SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not reregistered as an AIF under SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations. Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

#### **Application by provident funds/pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof.

#### **Application by limited liability partnership**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

#### **Application by Banking Companies**

In case of Application made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the Banking Regulation Act), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is less.

Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Application by Insurance Companies**

In case of Application made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time including the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (IRDA Investment Regulations).

#### **Application by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.



### **Application by Systematically Important Non-Banking Financial Companies**

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Application under Power of Attorney**

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- With respect to Applications made by provident funds with a minimum corpus of ₹2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.
- With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.
- Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice /CANs/letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

### **Application by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Issue.

### **Maximum and Minimum Application Size**

#### **1. For Retail Individual Applicants**

The Application must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2,00,000.

## **2. For other than Retail Individual Investors (Non-Institutional Investors and QIBs)**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of 3,000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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**

### **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

#### **ASBA Process**

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (ASBA Account) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch

of the SCSB or Registered Brokers or Registered R'A's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

**APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER / SCSBS / REGISTRAR AND SHARE TRANSFER AGENTS / DEPOSITORY PARTICIPANTS / STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED**

#### **Who can apply?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

#### **Mode of payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

#### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

#### **Terms of payment**

The entire Issue price of ₹ 37/- per equity share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to Issue and the Registrar to the Issue to facilitate collections from the Applicants.

## **Payment Mechanism**

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (Issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

## **PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to streamline the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

### **Who can apply through UPI Mode:**

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

### **Process**

**Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).**

### **Blocking of Funds:**

- a) Investors shall create UPI ID
- b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form
- c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange
- d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission
- e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds
- f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

### **Unblocking of Funds:**

- a) After the Issue Closing day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.
- b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue account and unblocking of excess funds
- c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

### **Rejection grounds under UPI Payment Mechanism**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/her own bank account or only his/her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

### **List of Banks providing UPI facility**

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### **Electronic Registration of Applications**

- 1) The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchange. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
- 2) The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.

- 3) In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).
- 4) The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
- 5) The Stock Exchange offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
- 6) At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
  - a. Name of Applicant;
  - b. IPO name;
  - c. Application Form number;
  - d. Investor Category;
  - e. PAN (of First Applicant, if more than one Applicants)
  - f. DP ID of demat account of the Applicant;
  - g. Client Identification Number of the demat account of the Applicant;
  - h. UPI ID (RIIs applying through UPI Mechanism);
  - i. Number of Equity Shares applied for;
  - j. Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - k. Bank account number;
  - l. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
- 7) The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/allotted either by our Company.
- 8) Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.
- 9) In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Investors, Applications would be rejected on the technical grounds.
- 10) The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
- 11) Only Applications that are uploaded on the online IPO system of the Stock Exchange shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchange and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

## **Withdrawal of Applications**

RIIs can withdraw their applications until Issue Closing Date. In case a RII wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## **Signing of Underwriting Agreement**

The Issue is 100% Underwritten. For further details please see section titled “**General Information**” on page no. 42 of this Draft Prospectus.

## **Filing of the Issue Document with the RoC**

For filing details, please see section titled “**General Information**” beginning on page 42 of this Draft Prospectus.

## **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

## **Price Discovery & Allocation of Equity Shares**

- a) The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- b) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- e) Allotment status shall be available at the website of Registrar to the Issue.

## **Issuance of Allotment Advice**

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Company shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

- 1) The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- 2) **Company will:** (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant's Depository Account within 4 working days of the Issue Closing date. The Company also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the Company.

- 3) The Company will issue and dispatch letters of allotment/or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

#### **Issuance of Confirmation Allocation Note (“CAN”)**

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Issue Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Issue Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

#### **General Instructions**

Applicants are requested to note the additional instructions provided below:

##### **Do's:**

- 1) Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all instructions carefully and complete the Application Form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms. Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;
- 5) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 6) If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be ), ensure that the Application Form is signed by the ASBA account holder (or the UPI- linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;
- 7) All Applicants should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary;
- 8) With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;`
- 9) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 10) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
- 11) Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;



- 12) Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
- 13) Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in active status; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 14) Ensure that the Demographic Details are updated, true and correct in all respects;
- 15) Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;
- 16) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 17) Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
- 18) Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
- 19) If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
- 20) Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected; Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- 21) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 22) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 23) Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
- 24) Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
- 25) Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;

- 3) Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
- 4) Do not send Application/ASBA Forms by post, instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
- 6) Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
- 7) If you are a Retail Individual Applicant, do not apply for an exceeding ₹200,000;
- 8) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 9) Do not submit the General Index Register number instead of the PAN;
- 10) As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available;
- 11) As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
- 12) Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- 13) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 14) If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
- 15) If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
- 16) Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 17) Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
- 18) If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
- 19) Do not submit more than five (5) ASBA Forms per ASBA Account;
- 20) Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
- 21) Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
- 22) Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism).

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **Instructions for completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

## **Applicants Depository Account and Bank Details**

**Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicant's sole risk and neither the Lead Manager nor the Registrar to the Issue or the Sponsor Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

## **Payment by Stock Invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **Other Instructions**

### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Applications**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been

made. In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

- All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/Registrar to the Issue, Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Investors, Retail Individual Investors who applied, the Company has a right to reject Applications based on technical grounds. It should be noted that RIIs using third party bank account for the payment in the public issue using UPI facility or using third party UPI ID linked bank account are liable to be rejected.

#### **Grounds for Technical Rejections**

Applicants are requested to note that Application may be rejected on the following additional technical grounds;

- a) Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- b) In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- c) Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- d) PAN not mentioned in the Application Form;
- e) GIR number furnished instead of PAN;
- f) Applications for lower number of Equity Shares than specified for that category of investors;
- g) Applications at a price other than the Fixed Price of the Issue;

- h) Applications for number of Equity Shares which are not in multiples as stated in the chapter titled Issue Structure.
- i) Category not ticked;
- j) Multiple Applications as defined in the Prospectus;
- k) In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- l) Applications accompanied by Stock invest/ money order/ postal order/ cash;
- m) Signature of sole Applicant is missing;
- n) Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- o) In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- p) Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- q) Applications by OCBs;
- r) Applications by US persons other than in reliance on Regulations or qualified institutional buyers as defined in Rule 144A under the Securities Act;
- s) Applications not duly signed;
- t) Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- u) Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- v) Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- w) Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹2,00,000, received after 3.00 pm on the Issue Closing Date;
- x) Applications not containing the details of Bank Account and/or Depositories Account.
- y) Applications under the UPI Mechanism submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
- z) Application submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite agreement dated January 20, 2021 with NSDL, our Company and Registrar to the Issue;
- b) Tripartite agreement dated December 28, 2020 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear as ISIN: **INE0GGO01015**

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.

- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

### Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-issue or post related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.**

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|---|---|
| <b>Empyrean Cashews Limited</b><br>1309, Lodha Supremus Powai, Saki Vihar Road,<br>opposite MTNL office, Powai Mumba– - 400072,<br>Maharashtra, India<br><b>Contact Person:</b> Rahul Suresh Gawande, Company<br>Secretary and Compliance Officer<br><b>Tel No.:</b> + 91 8779558264;<br><b>Email:</b> <a href="mailto:cs@krishival.com">cs@krishival.com</a> ;<br><b>Website:</b> <a href="http://www.krishival.com">www.krishival.com</a> ; | <b>Purva Sharegistry (India) Private Limited</b><br>Purva Sharegistry (India) Pvt. Ltd. Unit no. 9<br>Shiv Shakti Ind. Estt. J .R. Boricha marg Lower Parel)<br>Mumbai 400 011.<br><b>Contact Person:</b> Rajesh Shah/ Purva Shah/ Deepali Dhuri<br><b>Tel:</b> + 91 22 23012518/8261<br><b>Fax:</b> + 91 22 23012517<br><b>Email id:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a><br><b>Website:</b> <a href="http://www.purvashare.com/">www.purvashare.com/</a><br><b>Investor Grievance Id:</b> support@purvashare.com<br><b>SEBI Registration No:</b> INR000001112 |
|---|---|

### Disposal of Applications

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 4 Working Days from the Issue Closing Date.

### Impersonation

Attention of the Applicant is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities
- 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.”

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”

### Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **AT PAR FACILITY**

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The Company shall ensure that 'at par' facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

#### **Grounds for Refund**

##### **Non-receipt of Listing Permission**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchange from where such permission is sought are disclosed in Draft Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from Lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within four days after the Company becomes liable to repay it, then the Company and every director of the Company who is an officer in default may, on and from such expiry of forth days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in the Prospectus.

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, "if the 'Stated Minimum' Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Company does not receive the subscription of 100% of the Issue through this Issue document including devolvement of underwriters within Sixty Days from the date of closure of the, Issue shall Forthwith refund the entire subscription amount received. If there is a delay beyond four days after the Company become liable to pay the amount, the Company shall pay interest prescribed under section 73 of the Companies act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013)

#### **Minimum Number of Allottees**

The Company may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

#### **Mode of Refunds**

The Company may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

- a) In case of ASBA Bids: Within 6 (six) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Application, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Issue.
- b) In the case of Applicant from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency
- c) **In case of Investors:** Within six Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Issue may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Company, the Registrar to the Issue, the Sponsor Bank, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay

#### **Mode of making refunds for Applicants other than ASBA Applicants**

The payment of refund, if any, may be done through various modes as mentioned below–

- i. **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centres specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depositor–;
- ii. **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code (IFSC), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- iii. **Direct–Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account–;
- iv. **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants account details, IFSC code, MICR code and occupation (hereinafter referred to as Demographic Details). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the LM or the Registrar to the Issue or the Sponsor Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- v. Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Applicant Amount was remitted to the Sponsor Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc. Applicants may refer to Draft Prospectus.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**



The Company shall make the Allotment within the period prescribed by SEBI. The Company shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

### **Completion of Formalities for Listing & Commencement of Trading**

The Company may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with Stock Exchange (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 3,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3,000 equity shares subject to a minimum allotment of 3,000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 3,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the issue specified under the Capital Structure mentioned in the Draft Prospectus.
6. Since present Issue is a fixed price Issue, the allocation in the Net Issue to the public category in terms of Regulation 253 of the SEBI ICDR Regulations, 2018 shall be made as follows
  - a) A minimum of 50% of the Net Issue of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b) The balance Net Issue of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c) The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

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

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled '*Basis of Allotment*' of this Draft Prospectus.

'Retail Individual 'nvestor' means an investor who applies for shares of value of not more than ` 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

#### **Basis of Allotment in the event of Under subscription.**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size which shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations, 2018.

**There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Undertaking by our Company**

##### **Our Company undertakes the following:**

- 1) That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- 2) that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue
- 3) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 4) that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
- 5) that no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc
- 6) that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 7) That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 8) The Equity Shares proposed to be offered by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
- 9) If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date 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% per annum for the delayed period;
- 10) That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh draft prospectus with Stock Exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 11) That the Promoters' contribution in full, if required, shall be brought in advance before Issue opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Applicants in accordance with applicable provisions under SEBI ICDR Regulations;
- 12) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- 13) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
- 14) That it shall comply with such disclosure and account norms specified by SEBI from time to time`

### **Utilization of Issue Proceeds**

Our Board certifies that:

- a) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- b) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- c) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- d) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively.
- e) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- f) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

## 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 Foreign Exchange Management Act, 1999 (FEMA). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991 unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The DIPP, has issued consolidated FDI Policy Dated the October 15, 2020 (“**FDI Policy 2020**”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

FDI for items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Foreign Investment is allowed up to 100% under automatic route in our Company subject to certain conditions. For further details, please see the section titled “**Key Industry Regulations and Policies**” beginning on page 108 of this Draft Prospectus.

RBI also issues Master Directions - Foreign Investment in India and updates the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017- 18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by the RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the applicable pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained by the company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and/or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be

reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24% may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations—Purchase/sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis—will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as a “ended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

| Sr. No                       | Article                                | Particulars   |
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| 1                            | <b>Table F Applicable.</b>             | No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto. |
| <b>Interpretation Clause</b> |  |   |
| 2                            |  | In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context  |
|                              | <b>Act</b>                             | (a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.  |
|                              | <b>Articles</b>                        | (b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution   |
|                              | <b>Auditors</b>                        | (c) "Auditors" means and includes those persons appointed as such for the time being of the Company.  |
|                              | <b>Capital</b>                         | (d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.  |
|                              |  | (e) "The Company" shall mean "EMPYREAN CASHEWS LIMITED"   |
|                              | <b>Executor or administrator</b>       | (f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under Section 31 of the Administrator General Act, 1963.   |
|                              | <b>Legal Representative</b>            | (g) "Legal Representative" means a person who in law represents the estate of a deceased Member.  |
|                              | <b>Gender</b>                          | (h) Words importing the masculine gender also include the feminine gender.  |
|                              | <b>In Writing and Written</b>          | (i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.  |
|                              | <b>Marginal Notes</b>                  | (j) The marginal notes hereto shall not affect the construction thereof.  |
|                              | <b>Meeting or General Meeting</b>      | (k) "Meeting" or "General Meeting" means a meeting of members.  |
|                              | <b>Month</b>                           | (l) "Month" means a calendar month  |
|                              | <b>Annual General Meeting</b>          | (m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of Section 96 of the Act.   |
|                              | <b>Extra-Ordinary General Meeting</b>  | (n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.   |
|                              | <b>National Holiday</b>                | (n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.   |
|                              | <b>Non-retiring Directors</b>          | (p) "Non-retiring Directors" means a director not subject to retirement by rotation.  |
|                              | <b>Office</b>                          | (q) "Office" means the registered Office for the time being of the Company.   |
|                              | <b>Ordinary and Special Resolution</b> | (r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.  |
|                              | <b>Person</b>                          | (s) "Person" shall be deemed to include corporations and firms as well as individuals.  |

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| <b>Proxy</b>  | (t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.   |
| <b>Seal</b>   | (v) "Seal" means the common seal for the time being of the Company.  |
| <b>Singular number</b>  | (w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.   |
| <b>Statutes</b>   | (x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.  |
| <b>These presents</b>   | (y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.   |
| <b>Variation</b>  | (z) "Variation" shall include abrogation; and "vary" shall include abrogate.   |
| <b>Year and Financial Year</b>  | (aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.  |
| <b>Expression in the Act to bear the same meaning in Articles</b>     | Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.   |
| <b>CAPITAL</b>  |  |
| <b>3 Authorized Capital</b>   | The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.  |
| <b>4 Increase of capital by the Company how carried into effect</b>   | The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act. |
| <b>5 New Capital same as existing capital</b>                         | Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.  |
| <b>6 Non-voting shares</b>  | The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.  |
| <b>7 Redeemable and preference shares</b>                             | Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.   |
| <b>8 Voting rights of preference shares</b>                           | The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.  |
| <b>9 Provisions to apply on issue of Redeemable Preference Shares</b> | On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:   |



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|           |                                     | <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to Section 55(2)(d)(i) of the Act the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve "fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital.</p> |
| <b>10</b> | <b>Reduction of capital</b>         | <p>The Company may (subject to the provisions of Sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>  |
| <b>11</b> | <b>Debentures</b>                   | <p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>   |
| <b>12</b> | <b>Issue of Sweat Equity Shares</b> | <p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>  |
| <b>13</b> | <b>ESOP</b>                         | <p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme ("ESOP") or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p>   |
| <b>14</b> | <b>Buy Back of shares</b>           | <p>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 securities.</p>  |

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| <b>15</b>                           | <b>Consolidation, Division and Cancellation</b>  | Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.  |
| <b>16</b>                           | <b>Issue of Depository Receipts</b>  | Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country  |
| <b>17</b>                           | <b>Issue of Securities</b>   | Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.   |
| <b>MODIFICATION OF CLASS RIGHTS</b> |  |  |
| <b>18</b>                           | <b>Modification of rights</b>  | (a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.<br>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation |
|                                     | <b>New Issue of Shares not to affect rights attached to existing shares of that class.</b> | (b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.   |
| <b>19</b>                           | <b>Shares at the disposal of Directors</b>   | Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.  |
| <b>20</b>                           | <b>Power to issue shares on preferential basis</b>   | The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of Section 62 of the Act subject to compliance with Section 42 and 62 of the Act and rules framed thereunder.   |
| <b>21</b>                           | <b>Shares should be numbered</b>   | The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be  |

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|   | <b>progressively and no share to be subdivided</b>            | sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.  |
| 22  | <b>Acceptance of Shares</b>                                   | An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.   |
| 23  | <b>Directors may allot shares as fully paid-up</b>            | Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.  |
| 24  | <b>Deposit and call etc. to be a debt payable immediately</b> | The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.   |
| 25  | <b>Liability of Members</b>                                   | Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.   |
| 26  | <b>Registration of Shares</b>                                 | Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.  |
| <b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b> |   |  |
| 27  |   | The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Section 39 of the Act  |
| <b>CERTIFICATES</b>   |   |  |
| 28  | <b>Share Certificates</b>                                     | (a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the |

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|           |   | <p>Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions ISection 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p> |
| <b>29</b> | <b>Issue of new certificates in place of those defaced, lost or destroyed.</b>                      | <p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>  |
| <b>30</b> | <b>The first named joint holder deemed Sole holder</b>  | <p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>   |
|           | <b>Maximum number of joint holders</b>  | <p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p>   |
| <b>31</b> | <b>Company not bound to recognise any interest in share other than that, of registered holders.</b> | <p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time</p>  |

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|                                   |   | registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.  |
| <b>32</b>                         | <b>Instalment on shares to be duly paid</b> | If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalment, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative   |
| <b>UNDERWRITING AND BROKERAGE</b> |   |  |
| <b>33</b>                         | <b>Commission</b>                           | Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other |
| <b>34</b>                         | <b>Brokerage</b>                            | The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.  |
| <b>CALLS</b>                      |   |  |
| <b>35</b>                         | <b>Directors may make calls</b>             | (1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.<br>(2) A call may be revoked or postponed at the discretion of the Board.<br>(3) A call may be made payable by instalments.  |
| <b>36</b>                         | <b>Notice of Calls</b>                      | Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.   |
| <b>37</b>                         | <b>Calls to date from resolution</b>        | A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.  |
| <b>38</b>                         | <b>Calls on uniform basis</b>               | Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.  |
| <b>39</b>                         | <b>Directors may extend time</b>            | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.  |
| <b>40</b>                         | <b>Calls to carry interest</b>              | If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.  |

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| <b>41</b>   | <b>Sums deemed to be calls</b>   | If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.  |
| <b>42</b>   | <b>Proof on trial of suit money due on shares</b>                      | On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.  |
| <b>43</b>   | <b>Judgement, decree, partial payment motto proceed for forfeiture</b> | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided  |
| <b>44</b>   | <b>Payments in anticipation of calls may carry interest</b>            | <p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p> |
| <b>LIEN</b> |  |   |
| <b>45</b>   | <b>Company to have lien on shares</b>                                  | The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paidup shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a   |

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|   |  | transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.   |
| <b>46</b>                                 | <b>As to enforcing lien by sale.</b>                       | For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have <sup>268</sup> fulfilment by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.  |
| <b>47</b>                                 | <b>Application of proceeds of sale</b>                     | The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.  |
| <b>FORFEITURE AND SURRENDER OF SHARES</b> |  |   |
| <b>48</b>                                 | <b>If call or instalment not paid, notice may be given</b> | If any Member fails to pay the whole or any part of any call or instalment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or instalment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or instalment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force. |
| <b>49</b>                                 | <b>Terms of notice</b>                                     | The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or instalment and such interest thereon as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid.<br><br>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.   |
| <b>50</b>                                 | <b>On default of payment, shares to be forfeited</b>       | If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.  |
| <b>51</b>                                 | <b>Notice of forfeiture to a Member</b>                    | When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry   |

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|   |   | of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.  |
| <b>52</b>                               | <b>Forfeited shares to be property of the Company and may be sold etc.</b>            | Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.  |
| <b>53</b>                               | <b>Members still liable to pay money owing at the time of forfeiture and interest</b> | Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.  |
| <b>54</b>                               | <b>Effect of forfeiture</b>   | The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.  |
| <b>55</b>                               | <b>Evidence of Forfeiture</b>   | A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares  |
| <b>56</b>                               | <b>Title of purchaser and allottee of Forfeited shares</b>                            | The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.   |
| <b>57</b>                               | <b>Cancellation of share certificate in respect of forfeited shares</b>               | Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.  |
| <b>58</b>                               | <b>Forfeiture may be remitted</b>   | In the meantime and until any share so forfeited shall be sold, reallotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.  |
| <b>59</b>                               | <b>Validity of sale</b>   | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Share' sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. |
| <b>60</b>                               | <b>Surrender of shares</b>  | The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.  |
| <b>TRANSFER AND TRANSMISSION SHARES</b> |   |   |



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| <b>61</b> | <b>Execution of the instrument of shares</b>  | <p>(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.</p>  |
| <b>62</b> | <b>Transfer Form</b>  | The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 of the Act and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;   |
| <b>63</b> | <b>Transfer not to be registered except on production of instrument of transfer</b> | <p>The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if nosuch share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application inwriting made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register</p> <p>the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.</p> |
| <b>64</b> | <b>Directors may refuse to register transfer</b>                                    | <p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—</p> <p>(a) any transfer of shares on which the company has a lien. That registration of transfer shall however 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;</p>  |
| <b>65</b> | <b>Notice of refusal to be given to transferor and transferee</b>                   | If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.   |
| <b>66</b> | <b>No fee on transfer</b>   | No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company   |
| <b>67</b> | <b>Closure of Register of Members or debenture holder or other security holders</b> | <p>The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with Section 91 of the Act and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security</p> <p>holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p>  |
| <b>68</b> | <b>Custody of transfer Deeds</b>  | The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.   |

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| <b>69</b> | <b>Application for transfer of partly paid shares</b>   | Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.  |
| <b>70</b> | <b>Notice to transferee</b>   | For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.   |
| <b>71</b> | <b>Recognition of legal representative</b>  | <p>(a) 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 person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate (c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>   |
| <b>72</b> | <b>Titles of Shares of deceased Member</b>  | <p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Section 72 of the Companies Act.</p> |
| <b>73</b> | <b>Notice of application when to be given</b>   | Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.   |
| <b>74</b> | <b>Registration of persons entitled to share otherwise than by transfer. (Transmission clause).</b> | <p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered, he shall testify his election by executing in</p>  |

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|                   |  | favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the<br>'Transmission Clause'.  |
| <b>75</b>         | <b>Refusal to register nominee</b>   | Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.  |
| <b>76</b>         | <b>Board may require evidence of transmission</b>  | Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.  |
| <b>77</b>         | <b>Company not liable for disregard of a notice prohibiting registration of transfer</b> | The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless, be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit. |
| <b>78</b>         | <b>Form of transfer outside India</b>  | In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.   |
| <b>79</b>         | <b>No transfer to insolvent etc.</b>   | No transfer shall be made to any minor, insolvent or person of unsound mind.  |
| <b>NOMINATION</b> |  |   |
| <b>80</b>         | <b>Nomination</b>  | <p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked</p>  |
| <b>81</b>         | <b>Transmission of Securities by</b>   | <p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either –</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p>  |

(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;

(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further 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 or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

#### **DEMATERIALIZATION OF SHARES**

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| <b>82</b> | <b>Dematerialisation of securities</b> | Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form. |
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#### **JOINT HOLDER**

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| <b>83</b> | <b>Joint Holders</b> | Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles. |
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| <b>84</b> | <b>Joint and several liabilities for all payments in respect of shares</b> | (a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share. |
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| <b>Title of survivors</b> | (b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other persI |
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| <b>Receipt of one sufficient</b> | (c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and |
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| <b>Delivery of certificate and giving of notices to first named holders</b> | (d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders. |
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#### **SHARE WARRANTS**

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| <b>85</b> | <b>Power to issue share warrants</b> | The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant. |
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| <b>86</b> | <b>Deposit of share warrants</b> | (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his |
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|                                      |  | <p>name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognizedI depositor of the Share warran’.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor</p>  |
| <b>87</b>                            | <b>Privileges and disabilities of the holders of share warrant</b> | <p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>  |
| <b>88</b>                            | <b>Issue of new share warrant coupons</b>                          | The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.   |
| <b>CONVERSION OF SHARES IN STOCK</b> |  |   |
| <b>89</b>                            | <b>Converstion of shares into stock or reconversion</b>            | <p>The Company may, by ordinary resolution in General Meeting.</p> <p>a) convert any fully paid-up shares into stock; and</p> <p>b) re-convert any stock into fully paid-up shares of any denomination.</p>   |
| <b>90</b>                            | <b>Transfer of stock</b>   | The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation 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>91</b>                            | <b>Rights of stock holders</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, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares , have conferred that privilege or advantage.  |
| <b>92</b>                            | <b>Regulations</b>   | Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively.  |
| <b>BORROWING POWERS</b>              |  |   |
| <b>93</b>                            | <b>Power to borrow</b>   | Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose. |
| <b>94</b>                            | <b>Issue of discount etc. or with special privileges</b>           | Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender,   |

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|           |   | allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.   |
| <b>95</b> | <b>Securing payment or repayment of Moneys borrowed</b>                 | The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be. |
| <b>96</b> | <b>Bonds, Debentures etc. to be under the control of the Directors.</b> | Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.  |
| <b>97</b> | <b>Mortgage of uncalled Capital</b>                                     | If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.   |
| <b>98</b> | <b>Indemnity may be given</b>   | Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the<br>Directors or person so becoming liable as aforesaid from any loss in respect of such liability.   |

#### MEETING OF MEMBERS

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| <b>99</b>  | <b>Distinction between AGM &amp; EGM</b>   | All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.   |
| <b>100</b> | <b>Extra Ordinary General Meeting by Board and by requisition</b>                    | (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members   |
|            | <b>When a Director or any two members may call an Extra Ordinary General Meeting</b> | (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the<br>Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors. |
| <b>101</b> | <b>Meeting not to transact business not mentioned in notice</b>                      | No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.  |
| <b>102</b> | <b>Chairman of General Meeting</b>   | The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen  |

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|                         |  | minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Vice Chairman of the Company so shall take the chair and preside the meeting. In the absence of the Vice Chairman as well, the Directors present may choose one of the Directors among themselves to preside the meeting.  |
| <b>103</b>              | <b>Business confined to election of Chairman or Vice Chairman whilst chair is vacant</b> | No business, except the election of a Chairman or Vice Chairman, shall be discussed at any General Meeting whilst the Chair is vacant   |
| <b>104</b>              | <b>Chairman with consent may adjourn the meeting</b>                                     | <p>a) 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.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) 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.</p> <p>d) 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.</p>   |
| <b>105</b>              | <b>Chairman's casting vote</b>   | In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.  |
| <b>106</b>              | <b>In what case poll taken without</b>   | Any poll duly demanded on the election of Chairman or Vice Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.  |
| <b>107</b>              | <b>Demand for poll not to prevent transaction of other business</b>                      | The demand for a poll except on the question of the election of the Chairman or Vice Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.   |
| <b>VOTES OF MEMBERS</b> |  |   |
| <b>108</b>              | <b>Members in arrears not to vote</b>  | No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.  |
| <b>109</b>              | <b>Number of votes each member entitled</b>  | <p>Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paidup equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.</p> |
| <b>110</b>              | <b>Casting of votes by a member entitled to more than one vote</b>                       | On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.  |
| <b>111</b>              | <b>Vote of member of unsound mind and of minor</b>                                       | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.  |
| <b>112</b>              | <b>Postal Ballot</b>   | Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions  |

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|            |   | relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.  |
| <b>113</b> | <b>E-voting</b>   | A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.   |
| <b>114</b> | <b>Votes of joint members</b>   | <p>a) 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. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p> |
| <b>115</b> | <b>Votes may be given by proxy or by representative</b>                 | Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles.   |
| <b>116</b> | <b>Representation of a body corporate</b>                               | A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company                  |
| <b>117</b> | <b>Members paying money in advance</b>                                  | (a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.   |
|            | <b>Members not prohibited is share not held for any specific period</b> | (b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.   |
| <b>118</b> | <b>Votes in respect of shares of deceased or insolvent members.</b>     | Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.   |
| <b>119</b> | <b>No votes by proxy on show of hands</b>                               | No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.  |



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| <b>120</b>       | <b>Appointment of a Proxy</b>  | 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.   |
| <b>121</b>       | <b>Form of proxy</b>   | An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.   |
| <b>122</b>       | <b>Validity of votes given by proxy notwithstanding death of a members</b> | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.   |
| <b>123</b>       | <b>Time for objection to votes</b>   | 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.  |
| <b>124</b>       | <b>Chairperson of the Meeting to be the judge of validity of any vote</b>  | Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.  |
| <b>DIRECTORS</b> |  |   |
| <b>125</b>       | <b>Number of Directors</b>   | Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution.   |
| <b>126</b>       | <b>Qualification of shares</b>   | A Director of the Company shall not be bound to hold any Qualification Shares in the Company.   |
| <b>127</b>       | <b>Nominee Directors</b>   | <p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p> |
| <b>128</b>       | <b>Appointment of alternate Director</b>                                   | The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three   |

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|  | months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director   |
| <b>129 Additional Director</b>   | Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.   |
| <b>130 Director power to fill casual vacancies</b>                               | Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.   |
| <b>131 Sitting fees</b>  | Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.  |
| <b>132 Travelling expenses incurred by Director on Company's business</b>        | The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.   |
| <b>PROCEEDING OF BOARD OF DIRECTORS</b>  |  |
| <b>134 Chairman and Vice Chairman</b>  | <p>a) The Directors may from time to time elect from among their members a Chairperson of the Board as well as a Vice Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, to the Vice Chairman shall preside at the meeting and in the absence of the Vice Chairman as well, the Directors present may choose one of the Directors among themselves to preside the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p> |
| <b>135 Questions at Board meeting how decided</b>                                | Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman or the Vice Chairman, as the case may be will have a second or casting vote.  |
| <b>136 Continuing directors may act notwithstanding any vacancy in the Board</b> | 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.   |
| <b>137 Directors may appoint committee</b>                                       | Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their  |

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|   |  | appointment but not otherwise, shall have the like force and effect as if done by the Board.   |
| <b>138</b>                                  | <b>Committee Meetings how to be governed</b>   | The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.  |
| <b>139</b>                                  | <b>Chairperson of Committee Meetings</b>   | a) A committee may elect a Chairperson of its meetings.<br><br>b) 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.   |
| <b>140</b>                                  | <b>Meetings of Committees</b>  | a) A committee may meet and adjourn as it thinks fit.<br>b) 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.   |
| <b>141</b>                                  | <b>Acts of Board or Committee shall be valid notwithstanding defect in appointment</b> | Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. |
| <b>RETIREMENT AND ROTATION OF DIRECTORS</b> |  |  |
| <b>142</b>                                  | <b>Power to fill casual vacancy</b>  | Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.  |
| <b>POWERS OF THE BOARD</b>                  |  |  |
| <b>143</b>                                  | <b>Powers of the Board</b>   | The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.  |
| <b>144</b>                                  | <b>Certain powers of the Board</b>   | Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say.   |
|   | <b>To acquire any property rights etc.</b>   | (1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.  |
|   | <b>To take on Lease</b>  | (2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors  |

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|   | may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.  |
| <b>To erect &amp; construct</b>                     | (3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.                    |
| <b>To pay for property</b>                          | (4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged |
| <b>To insure properties of the Company</b>          | (5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.   |
| <b>To open Bank accounts</b>                        | (6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.  |
| <b>To secure contracts by way of mortgage</b>       | (7) To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.   |
| <b>To accept surrender of shares</b>                | (8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.  |
| <b>To appoint trustees for the Company</b>          | (9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.  |
| <b>To conduct legal proceedings</b>                 | (10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.  |
| <b>Bankruptcy &amp; Insolvency</b>                  | (11) To act on behalf of the Company in all matters relating to bankruptcy and insolvency   |
| <b>To issue receipts &amp; give discharge</b>       | (12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.   |
| <b>To invest and deal with money of the Company</b> | (13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.  |
| <b>To give security by way of indemnity</b>         | (14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the  |

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|   | Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;  |
| <b>To determine signing powers</b>                        | (15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.   |
| <b>Commission or share in profits</b>                     | (16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.   |
| <b>Bonus etc. to employees</b>                            | (17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.  |
| <b>Transfer to Reserve Funds</b>                          | (18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper. |
| <b>To appoint and remove officers and other employees</b> | (19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.  |
| <b>To appoint Attorneys</b>                               | (20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised   |

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|   | by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.   |
| <b>To enter into contracts</b>                          | (21) Subject to Section 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient   |
| <b>To make rules</b>                                    | (22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.   |
| <b>To effect contracts etc.</b>                         | (23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.   |
| <b>To apply &amp; obtain concessions, licenses etc.</b> | (24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.   |
| <b>To pay commissions or interest</b>                   | (25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Section 40 of the Act and of the provisions contained in these presents.  |
| <b>To redeem preference shares</b>                      | (26) To redeem preference shares   |
| <b>To assist charitable or benevolent institutions</b>  | (27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.  |
|   | (28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.  |
|   | (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Section 40 of the Act.  |
|   | (30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise. |

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|  | (31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.   |
|  | (32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and byproducts.  |
|  | (33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.   |
|  | (34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.   |
|  | (35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.  |
|  | (36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.  |
|  | (37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.   |
|  | (38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.  |
| <b>MANAGING AND WHOLE-TIME DIRECTORS</b>                   |   |
| <b>145 Powers to appoint Managing/Wholetime Directors</b>  | <p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such reappointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p> |
| <b>146 Remuneration of Managing and Wholetime Director</b> | The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.  |

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| <b>147 Powers and duties of Managing Director or Wholetime Director.</b>                                   | <p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Wholetime Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p> |
| <b>CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER</b>                      |   |
| <b>148 Board to appoint Chief Executive Officer/ Manager/ Company Secretary or Chief Financial Officer</b> | <p>a) Subject to the provisions of the Act,—</p> <p>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;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) 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.</p>  |
| <b>THE SEAL</b>  |   |
| <b>149 The seal, its custody and use</b>   | <p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>   |



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| <b>150 Deeds how executed</b>   | The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.   |
| <b>DIVIDEND AND RESERVES</b>  |  |
| <b>151 Division of profits</b>  | <p>(1) 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.</p> <p>(2) 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.</p> <p>(3) 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.</p> |
| <b>152 The company in General Meeting may declare Dividends</b>               | The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.  |
| <b>153 Transfer to reserves</b>   | <p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>   |
| <b>154 Interim Dividend</b>   | 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.   |
| <b>155 Debts may be deducted</b>  | The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.   |
| <b>156 Capital paid up in advance not to earn dividend</b>                    | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.   |
| <b>157 Dividends in proportion to amount paid-up</b>                          | 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 dividends as from a particular date such share shall rank for dividend accordingly.   |
| <b>158 Retention of dividends until completion of transfer under Articles</b> | The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.  |

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| <b>159</b>            | <b>No member to receive dividend whilst indebted to the Company and Company's right of reimbursement thereof.</b> | No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.   |
| <b>160</b>            | <b>Effect of transfer of shares</b>   | A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.   |
| <b>161</b>            | <b>Dividend to joint holders</b>  | Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share   |
| <b>162</b>            | <b>Dividends remitted</b>   | <p>a) 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.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>  |
| <b>163</b>            | <b>Notice of dividend</b>   | 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.   |
| <b>164</b>            | <b>No interest on Dividends</b>   | No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.   |
| <b>CAPITALIZATION</b> |   |  |
| <b>165</b>            | <b>Capitalization</b>   | <p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution;</p> <p>and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) 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;</p> <p>or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation</p> |
| <b>166</b>            | <b>Fractional Certificates</b>  | <p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>—2) The Board shall have full power -</p>  |

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|  |   | <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(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 capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p> |
| <b>167</b>                               | <b>Inspection of Minutes Books of General Meetings</b>          | <p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>  |
| <b>168</b>                               | <b>Inspection of Accounts</b>                                   | <p>a) 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.</p> <p>b) 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.</p>   |
| <b>FOREIGN REGISTER</b>                  |   |   |
| <b>169</b>                               | <b>Foreign Register</b>   | The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.  |
| <b>DOCUMENTS AND SERVICES OF NOTICES</b> |   |   |
| <b>170</b>                               | <b>Signing of documents &amp; notices to be served or given</b> | Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed  |
| <b>171</b>                               | <b>Authentication of documents and proceedings</b>              | Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.   |
| <b>WINDING UP</b>                        |   |   |
| <b>172</b>                               |   | <p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p>   |

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|  | <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>   |
| <b>INDEMNITY</b>                                     |  |
| <b>173 Director's and others rights to indemnity</b> | <p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p> |
| <b>174 Not responsible for acts of others</b>        | <p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p>  |
| <b>SECRECY</b>                                       |  |
| <b>175 Secrecy</b>                                   | <p>(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>  |
| <b>Access to property information etc.</b>           | <p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate</p>   |

## **SECTION IX- OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 1309, Lodha Supremus Powai, Saki Vihar Road,—opposite MTNL office, Powai Mumbai - 400072, Maharashtra, India; between 10 a.m. and 5 p.m. (IST) on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### **Material contracts to the Issue**

1. Issue Agreement dated February 03, 2022 between our Company and the Lead Manager.
2. Registrar Agreement dated February 03, 2022 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated February 03, 2022 entered into among our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated February 03, 2022 entered into among our Company, the Market Maker and the Lead Manager.
5. Banker to the Issue Agreement dated February 03, 2022 entered into among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Syndicate Agreement dated February 03, 2022 entered into amongst our Company, the Lead Manager, Market Maker and the Registrar to the Issue.

#### **Material documents**

1. Certified copies of our Memorandum of Association and Articles of Association of the Company, as amended until date.
2. Certificate of Incorporation dated March 21, 2014.
3. Fresh certificate of incorporation dated November 22, 2021 issued upon conversion into a public company.
4. Resolution of the Board of Directors of our Company dated December 24, 2021 approving the Issue and other related matters.
5. Resolution of our Shareholders dated January 18, 2022 approving the Issue and other related matters.
6. Resolution of the IPO Committee of our Company dated February 04, 2022 and resolution of our Board of Directors dated February 03, 2022 approving and adopting this Draft Prospectus for filing with the Stock Exchange.
7. Report on Statement of Special Tax Benefits available to our Company and the Shareholders, dated February 04, 2022 issued by from the Statutory Auditors included in this Draft Prospectus.

8. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Underwriter(s) to the Issue, Bankers to our Company, Banker to our Issue and Market Maker to include their names in this Draft Prospectus and to acting their respective capacities.
9. Copies of annual reports of the Company for the last three Fiscals, i.e., Fiscals 2021, 2020 and 2019 and audited financials for the seven months period ended on October 31, 2021.
10. Peer Review Auditors Report dated February 04, 2022 on Audited Restated Financial Statements of our Company for seven months period ended October 30, 2021 and the financial years ended March 31, 2021, 2020 and 2019.
11. Copy of Approval dated [●] from the NSE Emerge to use their name in the prospectus for listing of Equity Shares.
12. Due Diligence Certificate to NSE from Lead Manager dated February 04, 2022 .
13. Tripartite agreement dated December 28, 2021 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.
14. Tripartite agreement dated January 20, 2021 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, the rules, regulations and guidelines issued by the Government of India, or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Act or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, confirmations and undertakings in this Draft Prospectus are true and correct.

### **SIGNED BY DIRECTOR OF OUR COMPANY**

**Sd/-**

**Aparna Morale Bangar**  
**Managing Director & Chairperson**

**Date:** February 04, 2022

**Place:** Mumbai.

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, the rules, regulations and guidelines issued by the Government of India, or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Act or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, confirmations and undertakings in this Draft Prospectus are true and correct.

### **SIGNED BY DIRECTOR OF OUR COMPANY**

**Sd/-**

**Nana Prakash Mhaske**

**Executive Director & Chief Executive Officer**

**Date:** February 04, 2022

**Place:** Cotonou, Benin.



## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, the rules, regulations and guidelines issued by the Government of India, or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Act or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, confirmations and undertakings in this Draft Prospectus are true and correct.

### **SIGNED BY DIRECTOR OF OUR COMPANY**

**Sd/-**

**Anant Pandurang Kulkarni**  
**Executive Director & Chief Financial Officer**

**Date:** February 04, 2022

**Place:** Mumbai.

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, the rules, regulations and guidelines issued by the Government of India, or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Act or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, confirmations and undertakings in this Draft Prospectus are true and correct.

### **SIGNED BY DIRECTOR OF OUR COMPANY**

**Sd/-**

**Shailesh Kumar Jain**

**Independent Non-Executive Director**

**Date:** February 04, 2022

**Place:** Mumbai.

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, the rules, regulations and guidelines issued by the Government of India, or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Act or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, confirmations and undertakings in this Draft Prospectus are true and correct.

### **SIGNED BY DIRECTOR OF OUR COMPANY**

**Sd/-**

**Sunil Kumar Agarwal**

**Independent Non-Executive Director**

**Date:** February 04, 2022

**Place:** Mumbai.

## **DECLARATION**

I hereby certify and declare that all relevant provisions of the Companies Act, the rules, regulations and guidelines issued by the Government of India, or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Act or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures, confirmations and undertakings in this Draft Prospectus are true and correct.

### **SIGNED BY DIRECTOR OF OUR COMPANY**

**Sd/-**

**Neeraj Kulbhushan Taandon**  
**Independent Non-Executive Director**

**Date:** February 04, 2022

**Place:** Mumbai.