Nandani Creation Limited

JAIPUR KURTI | AMAIVA BY JAIPUR KURTI | Desi Fusion BY JAIPUR KURTI

SYMBOL: JAIPURKURT
ISIN: INE696V01013

To,
The Manager-Listing Department,
The National Stock Exchange of India Limited,
Exchange Plaza, NSE Building,
Bandra Kurla Complex, Bandra East,
Mumbai-400 051

Dated: 25.03.2024

Subject: Intimation regarding filling & approval of Draft Letter of Offer for raising funds through Rights Issue of Equity shares for an amount not exceeding Rs. 1,600 Lakhs.

Respected Sir,

Pursuant to Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we wish to inform you that the Board of Directors in their meeting held on March 23, 2024 had considered and approved the filing of Draft Letter of Offer dated March 23, 2024 with Stock Exchange for raising funds through issuance and allotment of equity shares for an amount not exceeding Rs. 1,600 Lakhs to the eligible equity shareholders of the Company on the Rights Basis in such proportion and such other terms and price as may be decided by the Board at a later date, as on record date (to be notified subsequently), in accordance with the applicable laws including the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder, as amended from time to time **("Rights Issue")**. The Company has also applied to the Stock Exchanges for seeking in-principle approval for the proposed Issue on March 24, 2024.

A copy of the Draft Letter of Offer, as filed with the Stock Exchange is attached herewith.

The above information is also available on the Company's website viz www.nandanicreation.com
Kindly take the above information on your records.

Thanking You,
Yours faithfully,
For NANDANI CREATION LIMITED

GUNJAN JAIN
Digitally signed by GUNJAN JAIN
Date: 2024.03.25 22:53:20 +05'30'

GUNJAN JAIN
COMPANY SECRETARY & COMPLIANCE OFFICER
M No.: A45068

Draft Letter of Offer
Dated: March 23, 2024
For Eligible Equity Shareholders only

(Please scan QR to view DLOF)

Nandani Creation Limited

Our Company was incorporated as "Nandani Creation Private Limited" on February 21, 2012, under the Companies Act, 1956 with the Registrar of Companies, Jaipur, Rajasthan. Subsequently, our Company was converted into a Public Limited Company and the name of our Company was changed to "Nandani Creation Limited" vide special resolution dated August 03, 2016 and a fresh certificate of incorporation consequent to the conversion was granted to our Company on August 12, 2016, by the Registrar of Companies, Jaipur, Rajasthan. The registered office of our Company was originally situated at F-95, Kartarpura Industrial Area, Near 22 Godam, Jaipur - 302006. Thereafter, the registered office of our Company was changed to G-13, Kartarpura Industrial Area, Near 22 Godam Jaipur 302006, Rajasthan, India. For details in relation to the changes in the registered office of our Company, please refer to "***General Information***" on page 40.

Registered Office: G-13, Kartarpura Industrial Area, Near 22 Godam Jaipur 302006, Rajasthan, India
Contact person: Gunjan Jain, Company Secretary & Compliance Officer
Telephone: +91 0141-4037596;| **E-mail id:** info@jaipurkurti.com | **Website**: www.nandanicreation.com |
Corporate Identity Number: L18101RJ2012PLC037976

PROMOTERS OF OUR COMPANY: ANUJ MUNDHRA, VANDANA MUNDHRA, SUNITA DEVI MUNDHRA AND DWARKA DASS MUNDHRA

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF NANDANI CREATION LIMITED (OUR "COMPANY" OR THE "ISSUER" ONLY)

ISSUE OF UP TO [●] FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UP TO ₹ 1,600 LAKHS[#] ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 197.
[#]Assuming full subscription.

WILFUL DEFAULTERS

Neither our Company nor any of our Promoters or any of our Directors have been declared as Wilful Defaulters or Fraudulent Borrowers by the RBI or any other government authority.

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 with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered 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 this Draft Letter of Offer. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 19.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares are listed on NSE (the "**Stock Exchange**"). Our Company has received 'in-principle' approval from the NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letter dated [●]. Our Company will also make application to the Stock Exchange to obtain its trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is NSE.

LEAD MANAGERS TO THE ISSUE	REGISTRAR TO THE ISSUE
SRUJAN ALPHA CAPITAL ADVISORS LLP **Registered Address:** 112A, 1st floor, Arun Bazar, S.V. Road, Beside Bank of India, Malad (West), Mumbai - 400 064 **Correspondence Address**: 824 & 825, Corporate Avenue, Sonawala Rd, opposite Atlanta Centre, Sonawala Industry Estate, Goregaon, Mumbai – 400 063 **Tel:** +91 022-46030709 **Contact Person:** Jinesh Doshi **E-mail:** nandani.rightsissue@srujanalpha.com **Investor Grievance Email Id:** partners@srujanalpha.com and jinesh@srujanalpha.com **Website:** www.srujanalpha.com **SEBI Registration Number:** INM000012829	**BIGSHARE SERVICES PRIVATE LIMITED** **Registered Address**: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai 400 093 **Tel:** +91 22-62638200/22 **Contact Person:** Suraj G. **Email Id:** rightsissue@bigshargonline.com **Investor Grievance Email Id:** investors@bigshargonline.com **Website:** www.bigshareonline.com **SEBI Registration Number:** INR000001385 **CIN:** U99999MH1994PTC076534

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
[●]	[●]	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.*
[#]Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

*The words and expressions used in this Draft Letter of Offer 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, SEBI Listing Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "**Statement of Special Tax Benefits**" and "**Financial Information**" beginning on pages 54 and 94 respectively, shall have the meaning given to such terms in such sections.*

General Terms

Term	Description
"Company", "our Company", "the Company", "the Issuer", "We", "our", "us", or "NCL"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company, Nandani Creation Limited, a company incorporated in India under the Companies Act, 1956, having its registered at G-13, Kartarpura Industrial Area, Near 22 Godam Jaipur 302006, Rajasthan, India

Company Related Terms

Term	Description
Articles of Association or Articles	The articles of association of our Company, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013
Audited Financial Statements	The audited financial statements of our Company as at and for the financial year ended March 31, 2023 (along with comparative financial statements for the financial year ended March 31, 2022) prepared in accordance with applicable accounting standards, which comprises the balance sheet as at March 31, 2023 (along with comparative balance sheet as at March 31, 2022) and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information
Board/ Board of Directors/ Directors	The Board of Directors of our Company or a duly constituted committee thereof, as appointed from time to time
Chief Financial Officer	The Chief Financial Officer of our Company, namely, Mr. Dwarka Dass Mundhra
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, namely, Ms. Gunjan Jain
Equity Shareholders	Holders of Equity Share(s), from time to time
Equity Shares	Equity shares of face value of ₹10 each of our Company
Executive Director	Whole-time Director/ Executive Director on our Board
Financial Statements	Our Audited Financial Statements together with our Limited Reviewed Financial Results
Independent Director(s)	Independent Directors on the Board, who are eligible to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, please refer to "***Our Management***" beginning on page 89.
Key Managerial Personnel	The key managerial personnel of our Company as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations
Limited Reviewed Financial Results	The limited reviewed unaudited financial results for the six-month period ended September 31, 2023, prepared in accordance with the Companies Act and SEBI Listing

Term	Description
	Regulations. For details, see "***Financial Information***" on page 94.
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer
Memorandum of Association/ MoA	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board, as described in "***Our Management***" beginning on page 89.
Non-Executive Director(s)	Non-executive non-independent director of our Company. For details, see "***Our Management***" on page 89.
Promoter Group	The individuals and entities constituting the promoter group of our Company determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	The promoters of our Company, namely, Mr. Anuj Mundhra, Mrs. Vandana Mundra, Mrs. Sunita Devi Mundra and Mr. Dwaraka Dass Mundhra
Registered Office	Registered office of our Company at G-13, Kartarpura Industrial Area, Near 22 Godam Jaipur 302006, Rajasthan, India
Registrar of Companies/ RoC	The Registrar of Companies, Jaipur situated at C/6-7, 1st Floor, Residency Area, Civil Lines, Jaipur-302001, Rajasthan, India
Statutory Auditors	The current statutory auditors of our Company, namely, M/s Ashok Holani & Co. Chartered Accountants
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in "***Our Management***" beginning on page 89.

Issue Related Terms

Term	Description
Abridged Letter of Offer/ ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment/ Allot/ Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Axis Bank Limited.
Allotment Account(s)	The account(s) to be opened with the Banker(s) to this Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Rights Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date / Date of Allotment	Date on which the Allotment is made pursuant to this Issue
Allotment/Allot/Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
Applicant(s)/ Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Rights Equity Shares

Term	Description
Application Money	Amount payable at the time of Application, i.e., ₹[●] per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application. in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant/ ASBA Investor(s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process
Banker(s) to the Issue	Together, the Escrow Collection Bank, the Allotment Account Bank and Refund Bank, in this case being Axis Bank Limited.
Banker to the Issue Agreement	Agreement dated February 27, 2024 entered into by and amongst our Company, the Registrar to the Issue, the Lead Manager and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Rights Equity Shares.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "***Terms of the Issue***" beginning on 191.
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	National Stock Exchange of India Limited i.e. NSE
Draft Letter of Offer or DLOF	This draft letter of offer to be filed with the SEBI and the Stock Exchange in accordance with the SEBI ICDR Regulations
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "***Notice to Investors***" beginning on page 10.
Equity Shareholder(s) /Shareholders	Holder(s) of the Equity Shares of our Company
Escrow Account	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident investors – eligible equity shareholders as on record date making an Application through the ASBA facility
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being Axis Bank Limited.
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrower issued by RBI as defined under Regulations 2(1)(lll) of the SEBI ICDR Regulations
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) and / or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of the Letter of Offer.
ISIN	International securities identification number i.e., INE696V01013
Issue / Rights Issue	Issue of up to [●] Equity Shares of face value of ₹10 each of our Company for cash at a price of ₹[●] per Rights Equity Share aggregating up to ₹ 1,600 Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●]

Term	Description
Issue Agreement	Issue Agreement dated February 26, 2024 between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Materials	Collectively, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [●] per Equity Share
Issue Proceeds or Gross Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of up to [●] Rights Equity Shares for cash at a price of ₹[●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Shares) aggregating up to ₹ 1,600 lakhs[#] *[#]Assuming full subscription*
Lead Manager	The Lead Manager to the Issue, namely, Srujan Alpha Capital Advisors LLP
Letter of Offer	The final letter of offer to be filed with the Stock Exchange and submitted with SEBI for information and dissemination on the SEBI's website.
Listing Agreement	The listing agreement entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to "***Objects of the Issue***" beginning on page 47.
Non-Institutional Investors	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a Depository Participant in accordance with the SEBI ICDR Master Circular and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI ICDR Master Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●]
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Rights Equity Shares, being [●]
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being Axis Bank Limited.
Registrar Agreement	Agreement dated February 27, 2024 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registrar to the Issue / Registrar to the Company/Registrar	Bigshare Services Private Limited, situated at, Office No. 36-2, 6th Floor, Pinnacle Business Park, Next to Ahura Center, Mahakali Caves Road, Andheri East, Mumbai-400093
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date

Term	Description
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2,00,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations
RE ISIN	ISIN for Rights Entitlement i.e. [●]
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Entitlement(s)	No. of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the no. of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder, on Record Date, excluding any fractional entitlements. The Rights Entitlements with a separate ISIN: [●] will be credited to the respective demat account of Eligible Equity Shareholder before the Issue Opening Date, against the Equity Shares held by the Eligible Equity Shareholders as on the Record Date
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
Self-Certified Syndicate Banks /SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Stock Exchange	The stock exchange where the Equity Shares of our Company are presently listed, being NSE
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI

Business and Industry Related Terms

Term	Description
UK	United Kingdom
GDP	Gross Domestic Product
HFI	High Frequency Indicator
PE	Private Equity
VC	Venture Capital
GST	Goods & Service Tax
CGST	Central Goods & Service Tax
SGST	State Goods & Service Tax
IGST	Integrated Goods & Service Tax
FDI	Foreign Direct Investments
IIP	Index of Industrial Production
MOSPI	Ministry of Statistics & Programme Implementation
CPI	Consumer Price Index
FII	Foreign Institutional Investors
DII	Domestic Institutional Investors
FPIs	Foreign Portfolio Investors
LMT	Lakh Metric Tones
RMS	Rabi Marketing season
KMS	Kharif Marketing Season

Term	Description
CAZRI	Central Arid Zone Research Institute
ICAR	Indian Council of Agricultural Research
NABARD	National Bank for Agriculture and Rural Development
MFP	Mega Food Parks
DPA	Deendayal Port Authority
BOT	Build-Operate-Transfer
PPP	Public-Private Partnership
US$	United States Dollars
RBI	Reserve Bank of India
AI	Artificial Intelligence
AIDEF	Artificial Intelligence In Defence
IT	Information Technology
MSME	Micro, Small & Medium Enterprises
IISR	Indian Institute of Spices Research
ICAR	Indian Council for Agricultural Research
MOU	Memorandum of Understanding
FTAs	Free Trade Agreements
CEPA	Comprehensive Partnership Agreement
Ind Aus ECTA	India-Australia Economic Cooperation and Trade Agreement
PLI	Production Linked Incentive
BGs	Bank Guarantee
BSNL	Bharat Sanchar Nigam Limited
DoS	Department of Space
ACC	Advanced Chemistry Cell
SEZ	Special Economic Zone
SDLs	State Development Loans
NARCL	National Asset Reconstruction Company Ltd
IDRCL	India Debt Resolution Co. Ltd
NaBFID	National Bank for Financing Infrastructure and Development
CPI	Consumer Price Index
WPI	Wholesale Price Index
CAGR	Compounded Annual Growth Rate
FY	Financial Year
CAI	Cotton Association of India
B2B	Business-to-Business
D2C	Direct-to-Consumer
C2C	Consumer-to-Consumer
C2B	Consumer-to-Business
GMV	Gross Merchandise Value
B&M	Brick & Mortar
EBOs	Exclusive Brand Outlets
LFS	Large Format Stores
MBOs	Multiple Brand Outlets
SKDs	Salwaar , Kameez , Dupattas
SIS	Store In Store
COCO	Company Owned and Company Operated
FOFO	Franchisee Owned and Franchisee Operated
CAD	Computer Aided Design
HP	Horse Power
KMPs	Key Managerial Personnels
ERP	Enterprise Resource Planning
POS	Point of Sale
BIN	BIN Cards
FIFO	First In First Out
EAN	European Article Number

Conventional and General Terms/Abbreviations

Term	Description
₹, Rs., Rupees or INR	Indian Rupees
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AY	Assessment year
BSE	BSE Limited
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013/ Companies Act	Companies Act, 2013 along with the rules made thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's identification
DTAA	Double Taxation Avoidance Agreement
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal Year or Fiscal/FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI or Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal

Term	Description
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
Net Asset Value per Equity Share or NAV per Equity Share	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial companies
NPA(s)	Non-performing assets
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Rights Issue Circulars	SEBI circular bearing number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
Stock Exchange	NSE
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turnaround time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
U.S.$, USD or U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified Institutional Buyer as defined in Rule 144A

Term	Description
USA, U.S. or United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act or Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form, Rights Entitlement Letter and other issue materials and the issue of Rights Entitlement and Rights Equity Shares on a right basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form or other Issue material may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will send/dispatch this Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, Application Form, Rights Entitlement and other Issue material Letter through email and courier only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. This Draft Letter of Offer will be provided, through email and courier, by the Registrar, on behalf of our Company, to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

In case the Eligible Equity Shareholders have provided their valid e-mail address, the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, and the Application Form will be sent only to their valid e-mail address, and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Investors can also access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI for observations and the Stock Exchange. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer will not constitute an offer, invitation to or solicitation by anyone in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, Letter of Offer, and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction and India, without the requirement for our Company or our affiliates or the Lead Manager or its affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "***Other Regulatory and Statutory Disclosures***" on page191 Our Company, in consultation with the lead manager, the Registrar, or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and other Issue material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, Letter of Offer, and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX, FINANCIAL OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE ISSUE OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE ISSUE OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER OR THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions. The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold or resold or otherwise transferred within the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements (including their credit) and the equity shares are only being offered and sold outside the United States in offshore transactions in reliance on regulations under Regulation S of the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy or transfer any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation or purchase of the Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer of securities under this Draft Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an address in India. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not, and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any other federal or any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants/ Investors. 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 Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under the applicable laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

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

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Audited Financial Statements. For details, please see "***Financial Information***" beginning on page 94 of this Draft Letter of Offer. Our Company's financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Government of India has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Financial Statements of our Company have been prepared in accordance with Ind AS and recognition and measurement principles laid down in Ind AS 34 prescribed under the Section 133 of the Companies Act 2013 and Regulation 33 of SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Unless otherwise stated, the financial numbers stated in this Draft Letter of Offer are derived from the Audited Financial Statements and /or the Limited Reviewed Financial Information.

The Audited Financial Statements of our Company have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees in Lakhs.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Draft Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Letter For further information, see "***Financial Information***" beginning on page 94.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operation***" beginning on pages 19, 72, and 181 and elsewhere, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

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

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

(in ₹)

Name of the Currency	As of September 30, 2023	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
United States Dollar	83.06	82.22	75.81	73.50

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but the accuracy and completeness of such information are not guaranteed, and their reliability cannot be assured. This information is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" beginning on page 19 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

In this Draft Letter of Offer, we have included statements, which contain words or phrases such as "will", "may", "aim", "is likely to result", "believe", "expect", "continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "pursue" and similar expressions or variations of such expressions, that are "forward-looking statements". However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

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

- Concentration of our business on women’s Indian wear apparel and its vulnerability to variations in demand and changes in consumer preferences;
- Our ability to continue to develop innovative, fashionable and popular designs;
- Our ability to expand our product offerings and distribution channels;
- If any new products that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected;
- Any adverse changes in central or state government policies;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
- Our ability to maintain or improve our technology infrastructure;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- Any adverse development that may affect our operations; and
- General, political, economic, social and business conditions in India and other global markets.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Position and Results of Operations***" beginning on pages 19, 72, and 181 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.

We cannot assure 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 as a guarantee of future performance.

Forward looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although, 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, our Promoters, nor any of their respective affiliates or advisors 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 will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, "***Risk Factors***", "***Objects of the Issue***", "***Our Business***" and "***Outstanding Litigation and Defaults***" beginning on pages 19, 47, 72 and 187, respectively.

Primary Business of our Company

Our Company is engaged in manufacturing and marketing of women apparels like kurtis, sarees, ethnic tops, palazzo, patiala salwar suit, dupatta, quilted jacket, dress material, etc. We are popularly known and identified in apparel market by our brand name "Jaipur Kurti" "Desi Fusion - By Jaipur Kurti" "Amaiva - By Jaipur Kurti" and "Jaipur Kurti Luxe". Our brand is a known for its ethnic wear, kurtis with traditional designs having wide range of colour, patterns and sizes. Jaipur Kurti was created to explore the varied dynamics of Indian ethnic wear, presenting this heritage to modern women at its widest range. We are specializing in traditional designs, culturally rich styles and ethnic wear for women.

For further details, please see chapter titled "***Our Business***" beginning on page 72.

Objects of the Issue

The details of the Net Proceeds are summarized in the table below:

(in ₹ Lakhs)

Particulars	Amount
Gross Proceeds from the Issue[#]	Up to 1,600
Less: Issue related expenses	[●]
Net Proceeds of the Issue	[●]

[#]assuming full subscription and allotment
[*]The issue size shall aggregate up to ₹1,600 lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price, the same will be adjusted against General Corporate Purpose.

The Net Proceeds are proposed to be used in the manner set out in the following table:

(in ₹ Lakhs)

Particulars	Amount
To augment the existing and incremental working capital requirement of our Company	600
Investment in our wholly owned Subsidiary, "Desi Fusion Private Limited (DFPL)" for funding its Working Capital Requirement	600
General Corporate Purposes[#]	[●]
Total Net Proceeds	[●]

[#]To be finalized on determination of the Issue Price and updated in the Letter of Offer prior to filing with the Stock Exchange and submitted with SEBI. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please see chapter titled "***Objects of the Issue***" beginning on page 47.

Intention and extent of participation by our Promoters and Promoter Group shareholders

Our Promoters and member of our Promoter Group have, vide their letters dated March 20, 2024 ("**Subscription Letters**") have informed that they may or may not fully subscribe to their respective entitlements, arising out of the proposed Rights Issue and may renounce a part of their rights entitlement in the favour of third parties whom our Promoters and Promoter Group may identify in due course.

Therefore, if Promoter and Promoter group do not fully subscribe to their respective entitlements, the criteria required for exemption from minimum subscription of 90% of the Issue set out in the second paragraph to the proviso to Regulation 86(1) of the SEBI ICDR Regulations is not met by our Company.

Our Company must, therefore, will have to ensure a minimum subscription of 90% of the Issue in this proposed Rights Issue. In the event of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants / ASBA account unblocked forthwith, but not later than four days from the closure of the Rights Issue, in compliance with

Pursuant to regulation 86(2) of the SEBI ICDR Regulations.

Outstanding litigation and defaults

A summary of the outstanding legal proceedings involving our Company as on the date of this Draft Letter of Offer is set forth in the table below:

Particulars	Criminal Matters	Matters involving material violations of statutory regulations	Economic offences where proceedings have been initiated against our Company	Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters, which if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Tax Proceedings	Aggregate amount involved (₹ in lakhs)
Against the Company	-	-	-	-	6	16.17
By the Company	-	-	-	-	-	-
Against the Subsidiary	-	-	-	-	6	14.17
By the Subsidiary	-	-	-	-	-	-

Risk Factors

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please refer to "***Risk Factors***" beginning on page 19.

Related Party Transactions

For details regarding our related party transactions, please see "***Audited Financial Statements***" on pages 94.

Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

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 Letter of Offer, including the risks and uncertainties described below and the "Financial Statements" on page 94 of this Draft Letter of Offer, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, 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**" beginning on pages 72, 58 and 181, respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.*

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

*This Draft Letter of Offer also contains forward-looking statements that involve risks 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 Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, please refer to "**Forward Looking Statements**" beginning on page 15 of this Draft Letter of Offer.*

*Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements and Unaudited Financial Results included in this Draft Letter of Offer. For further information, please refer to "**Financial Statements**" beginning on page 94 of this Draft Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Nandani Creation Limited.*

INTERNAL RISK FACTORS

1. Our business is completely concentrated on Indian wear apparel for Women and vulnerable to variations in demand and changes in consumer preferences, which could have an adverse effect on our business, results of operations and financial condition

Our business presently is fully concentrated on Indian wear apparel for Women. Our sales of Indian apparel for women are dependent on a number of factors, and may decline as a result of increased competition, regulatory action, pricing pressures or fluctuations in the demand for or supply of our products and other factors outside our control. In particular, our business is vulnerable to rapidly changing customer preferences. Our results of operations are dependent on our ability to attract customers by anticipating, gauging and responding to such changes in customer preferences, and design new apparels or modify our existing products in line with changes in fashion trends as well as customer demands and preferences. The number of customers demanding Indian wear apparel may not continue to increase, or our customers may not consider our Indian wear apparel preferable to the alternatives. In the longer term, consumer attitudes towards Indian wear apparel, may change, such as the younger generations of people in India becoming less likely to purchase and wear Indian apparel, leading to decreased demand for our products. If we are unable to anticipate, gauge and respond to changing customer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or launch new products on a timely basis, we may lose or fail to attract customers. A decline in demand for our products or a misjudgement on our part could lead to increased market acceptance of our competitors' products or may result in the substitution of our products in the market, which could lead to us having lower sales and excess inventories. This may render us unable to support new growth platforms and cause a decline in our revenues and profits, which would adversely affect our business, results of operations, financial condition and cash flows.

2. ***Our company derives significant volume of revenue from prominent E-Commerce players. Our inability to maintain, renew or enhance relationships with them could adversely affect our business, results of operations and financial condition***

Our revenue from E-commerce platforms comprised of 53.63%, 69.84% and 73.28% of our Total Revenue from Operations (incl GST) for the Period ended December 31, 2023 and Financial year 2022-23 and 2021-2022. We are heavily dependent on E-commerce platform for our business revenue, orders and cash flows. Our business substantially relies on orders received via digital platforms and delivering them on time with quality maintained. Share of each E-commerce platforms as % of total revenue are as below:

Sr. No.	Particulars	Nine Months Ended December 31, 2023	F.Y. 2022-2023	F.Y. 2021-2022
1	Myntra Designs Private Limited (Myntra)	26.55%	31.21%	39.69%
2	Nykaa Fashion Private Limited (Nykaa)	7.13%	6.90%	6.36%
3	Reliance Retail Limited (Ajio)	5.98%	16.81%	9.05%
4	Tata Unistore Limited (Tata Cliq)	1.66%	3.05%	3.69%
5	Cloudtail India Private Limited (Amazon)	6.04%	5.49%	5.98%
6	Flipkart Private Limited (Flipkart)	6.26%	6.38%	8.50%
	Total	**53.63%**	**69.84%**	**73.28%**

Further, our customers may experience financial or other difficulties such as force majeure events, changes in laws, economic conditions of the customer and labour problems which may result in delays to the order being received and executed. Our business is affected by the price, quality logic, availability and the timely delivery of the garments that we manufacture for women wear.

It may be difficult to find such strong digital network from any other customers that continue to rely on our product and brand for their channel. We have our business model designed in a way to sell our products through digital market and loss of any one platform would be crucial for us.

3. ***Inventories form a substantial part of our current assets. Failure to manage our inventories could have an adverse effect on our net sales, profitability, cash flow and liquidity***

Our business is working capital intensive and Inventories form substantial part of our current assets. Our, Inventories as on September 30, 2023, March 31, 2023 and March 31, 2022 were Rs. 2,985.17 Lakhs, Rs. 2,458.50 Lakhs and Rs. 2,041.97 Lakhs respectively. The results of operations of our business are dependent on our ability to effectively manage our inventory. We generally procure raw materials on the basis of management estimates based on past requirements and future estimates. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the finished inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

4. ***We sell our products through established e-commerce players and therefore, cannot control the pricing strategies employed by such e-commerce platforms to entice customers. It may adversely affect our pricing ability, which may have an adverse effect on our results of operations and financial condition***

The share of our Revenue (incl GST) is derived from E-Commerce platforms (Online), Offline Modes and own Website for the period ended December 31, 2023 financial year 2022-23 are as below:

Sr. No.	Particulars	% of Revenue from Operations		
		Nine Months Ended December 31, 2023	F.Y. 2022-2023	F.Y. 2021-2022
1.	Online mode through E-commerce platforms	53.63%	69.84%	73.28%
2.	Offline Modes	18.42%	9.18%	5.33%
3.	Own Website	5.92%	6.43%	1.81%
4.	Others	22.03%	14.55%	19.58%

In recent years, there has been increase in usage of smart phones and low-cost internet data has led to a boost in online Retailing. This has led to current trends of discounts and deep price competition amongst e-commerce platforms. While we determine the maximum retail price of our products, which are being sold through various e-commerce platforms, our products may be sold at a different price by these e-commerce platforms, which may offer additional discounts to their customer base on certain occasions such as festivals, annual sales, etc. Any inability on our end to enter into agreements and terms favourable to us may have an adverse effect on our prices and profit margins which consequently may affect our results of operations and financial condition. Further, our online retailers provide customers with products of other brands and accordingly have negotiating power over us and we may not be able to enter into agreements with the online retailers at terms favourable to us or at all.

5. Our business prospects depend on the strength of our key brands, and any failure to maintain or grow sales of our products could adversely affect our business

We develop, design, source, market and sell a wide portfolio of Indian wear for women across multiple brands, namely our flagship brand, 'Jaipurkurti, our premium wear brand 'Amaiva – by Jaipur Kurti', 'Jaipur Kurti Luxe' and 'Desi Fusion'. Our brand names, images and recognition are key factors in customers' decision-making of purchasing our products, and thus are critical to maintaining and expanding our customer base. We have strengthen the brand positioning of our brands to grow and scale our operations See "Our Business – Strengthening the brand positioning" on page 84.

With all our brands catering to the demand of both premium and value offerings of women's Indian wear apparel market and operating each brand within the same network, we are able to up sell and cross sell products of all our brands through our existing retail channels. We cannot assure you that we will be able to successfully maintain or enhance the recognition and reputation of any of our brands and any inability to do so may adversely affect our business and competitiveness.

Among our existing brands, a significant portion of our revenue from operations is derived from the sale of products under our 'Jaipur Kurti' brand. The revenue from our 'Jaipur Kurti' brand contributed to ₹2,180.12 lakhs, ₹4,395.79 Lakhs and ₹ 5,660.73, representing 85.43%, 89.93% and 89.00% of our revenue for the period ended December 31, 2023 and Financial Years 2023 and 2022 respectively. While our other brands have experienced growth, if the brand image, reputation or brand recall of our 'Jaipur Kurti' weakens, or 'Jaipur Kurti' brand experience reduced sales for any reason, including the aforementioned risks, our business and results of operations may be adversely affected.

We intend to continue to enhance the brand recall of our apparel through the expansion of our footprint of our EBOs, SIS counters and other retail touch points. We are highly conscious of our brand image and seek to further strengthen our brand by increasing its visibility though marketing initiatives, supplying qualitative products at competitive prices. Presently, we are promoting our brand by engaging an eminent Bollywood celebrity 'Madhuri Dixit' and strive to actively support our brand through online and print advertising, exhibitions and events.

Many factors, some of which are beyond our control, are important in maintaining and enhancing our brand recall, including maintaining or improving customer satisfaction and the popularity of our products and increasing brand awareness through brand building initiatives, especially with respect to our emerging brands, the new products we launch or in geographic markets where we intend to expand our operations. Maintaining and enhancing our brands may require us to make substantial investments and incur substantial expenses in many areas including product design, marketing, advertising, e-commerce and employee training.

Our investments in marketing our brands may not be successful, and our results of operations would also suffer if such investments and initiatives are not appropriately timed with market opportunities or are not effectively brought to market. We anticipate that, as our business continues to expand through entering new markets and launching new designs and apparels, and as the market becomes increasingly competitive, maintaining and enhancing our brands may continue to take significant effort and be a significant cost for us.

Consumers in new markets may be less compelled by our brand image as compared to consumers in our existing markets, and thus may be less willing to purchase our products. If our marketing initiatives fail to yield the intended results, or we fail to maintain or enhance our brand recognition and reputation or increase positive awareness of our products, or the quality of our products declines, our business and prospects may be adversely affected.

Our brands may also be adversely affected if our public image or reputation is tarnished by negative publicity. In addition, ineffective marketing, product diversion, without our knowledge, to unauthorized distribution channels, product defects, counterfeit products, failure to protect the intellectual property rights in our brand and other factors may threaten the strength of our brands and could rapidly and severely diminish consumer confidence in us. Maintaining and enhancing our brands will depend largely on our ability to retain our leadership position in the women's Indian wear market, and that our range of products is of a high quality. We cannot assure you that the quality of our products will be maintained or enhanced.

6. We depend on distribution network of EBOs under which a portion of our outlets shall be FOFO outlets sales and any failure in the performance of such FOFO outlets could adversely affect our business

We have multichannel distribution network of 12 EBOs (comprising 8 COCO outlets and 4 FOFO outlets) across 7 states in India. We have significantly expanded our EBO footprint by a net addition of 8 stores since April, 2023. For financial year 2023. We have partnered with Franchisee India to expand our presence in state of Andhra Pradesh, Telangana, Gujarat, West Bengal, Bihar, and Jharkhand. We also intend to grow both company owned and franchisee owned store Pan India. We evaluate potential locations and cities for our retail expansion carefully, based on multiple criteria (including client demands, availability of prime location and demographic profile). We will continue to invest in markets that provide strong returns on our investment over the long-term. We plan to further expand our network in high-demand markets, thereby reinforcing our presence pan India.

With respect to the EBO outlets which are under FOFO model, we depend substantially on third parties that are the franchisees for several critical elements of our business including operations and sales. There can be no assurance that these franchisees will be able to establish or maintain adequate sales capabilities. Furthermore, we cannot assure you that we will be able to enter into arrangements with franchisees in the areas in which we currently operate in or in the areas in which we intend to expand to, on financially acceptable terms or at all, or that any franchisees with whom we enter into such arrangements will be successful in selling or distributing our products. Any failure in the performance of our franchisee operations, could adversely affect our business. Additionally, if we are unable to maintain our relationships with our franchisees, our ability to properly manage our various retail formats and generate revenues through the sale of our products could be adversely impacted.

7. We have incurred losses in the past and may incur losses in the future

Our ability to operate profitably depends upon a number of factors, some of which are beyond our control. We have recorded losses in the past. Our loss for the Nine Month Ended Financial Year 2023-2024 is ₹ 219.52 Lakhs. If we fail to increase our sales, acquire new users in a cost-effective manner or keep our expenses in check, we may not be able to increase our revenue or be profitable. If we continue to incur losses, our business and the value of our Equity Shares could be adversely affected. We may continue to incur losses in the future. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Results of Operations" on page 181.

8. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flow in the future could adversely affect our results of operations and financial condition

The following table sets forth net cash inflow/(outflow) from operating, investing and financing activities for the period ended September 30, 2023 and Fiscals 2023 and 2022;

(*Rs.in Lakhs*)

Particulars	For the fiscal year ended on		
	September 2023	2023	2022
Net Cash flow generated from Operating activities	-490.42	-123.51	-313.12
Net Cash flow Generated from Investing Activities	22.49	-320.65	-336.39
Net Cash flow Generated from Financing Activities	150.15	772.48	658.29

Our Company had negative cash flows from our operating activities in previous year's i.e. 2023 and 2022, negative cash flows in investing activities in the previous year's i.e. 2023, 2022. Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

9. ***Any failure in our quality control processes may damage our reputation, and adversely affect our business, cash flows, results of operations and financial condition. We may face reputational harm or proceedings if the quality of our products does not meet our customers' expectations***

It is possible that some of our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from manufacturing defects and negligence in storage or handling of our products or other raw materials. We set internal quality standards, including consistent definitions of defects to be detected and our dedicated quality control teams perform quality control processes for raw materials such as fabrics and finished goods, which we track. However, given the volume of raw materials and scale of production of finished goods, we are not able to inspect every single item and may rely instead on selective methods such as sampling. Although there have been no material instances in the past, we cannot assure you that our quality standards will be adhered to, and if they are not, that our quality control processes and inspections will accurately detect all deficiencies in the quality of our products at all times before such products reach the customers. We have, from time to time, due to quality defects, exchanged or accepted returns of products sold to our customers, or otherwise, in accordance with our exchange and returns policy. In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products, we may be required to recall or exchange such products at additional cost to us and our reputation may be impacted.

Any deficiencies in the quality of our products may cause adverse reactions to users of such products. This may expose us to product liability claims and legal proceedings brought against us by various entities, including customers, MBOs and online marketplaces. Although there have been no such actions against us in the past, 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.

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

We require certain approvals, licenses, registrations and permissions for operating our businesses, however, we have not obtained certain approvals and we are in the process of making applications or have made applications for the same. Failure to maintain or obtain required permits or approvals at the requisite time may result in interruption of our operations and may have an adverse impact on our business, financial condition and results of operations. As on date, our Company does not have no objection certificate for our manufacturing facility from the Fire Department, Government of Rajasthan and our Company has to make an application to obtain the no objection certificate. Further, our Company does not have Professional Tax Enrolment Certificate and Professional Tax Registration Certificate in Karnataka and our Company has applied to obtain the Professional Tax Enrolment Certificate and Professional Tax Registration Certificate. Our Company does not have Shops and Establishment Registration Certificate for its establishments in the states of Uttar Pradesh, West Bengal, Haryana and Karnataka and our Company is in the process of applying for the Shops and Establishment Registration Certificate in each of the states mentioned herein. Further, our Company has not obtained Intimation Certificate in the state of Maharashtra and our Company is in the process of making application to the relevant authorities of its establishment in Maharashtra. Our Company may be subject to penalty and other action for non-compliance in past and we cannot guarantee that the relevant authorities will issue the approvals for which applications are made in the timeframe anticipated or at all. Any failure to obtain or renew the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us may impede our operations. We may need to apply for further approvals in the future including renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated or at all.

11. ***Our marketing and branding initiatives may not yield the expected results. The same may entail additional requirement of funds in the future and inability to continue these exercises may affect our growth and financial results***

Brand recognition plays an important role in apparel industry. Customer loyalty for brands enhances the prospects of a Company in our industry. Our brand - Jaipur Kurti, Amaiva – By Jaipur Kurti, Jaipur Kurti Luxe and Desi Fusion is being known in both Online and Offline business segments. We are highly conscious about our brand image and seek to further strengthen our brand by increasing its visibility through marketing initiatives, supplying qualitative products at competitive prices. Presently, we are promoting our brand by engaging an eminent Bollywood celebrity "Madhuri Dixit" and strive to actively support our brand through online and print advertising and exhibitions and events.

We believe that these initiatives should increase our brand recall and drive demand thereby helping us grow the business. However, we cannot be assured that our marketing and branding initiatives would be able to bring out our desired results or

that these initiatives would lead to higher sales growth for our company. Our inability to get such initiatives to be a success would result in requirement of additional funds to change such strategy and re-do campaigns could affect our growth and financial results in the future.

12. ***We are dependent on a few suppliers for supply of raw materials and any major disruption to the timely and adequate supplies of our raw materials could adversely affect our business, results of operations and financial condition***

Our Company is dependent on a few suppliers for procuring the raw materials for manufacturing of its products and we do not currently have long term contracts or exclusive supply arrangements with any of our vendors. For the period ended December 31, 2023, our top five suppliers and top ten suppliers accounted for approximately 48.99% and 68.58%.

Further, for the financial year ended March 31, 2023, our top five suppliers and top ten suppliers accounted for approximately 88.00% and 96.00%. We believe that the quality of raw materials, the transparent pricing, location advantage, etc. are also some of the major reasons our Company prefers to procure these raw materials from these suppliers. Any failure of the supplier to deliver these raw materials in the necessary quantities or to adhere to delivery schedules or specified quality standards and technical specifications would adversely affect our business operations and our ability to deliver orders on time and at the desired level of quality. As a result, we may lose customers and incur liabilities for failure to execute orders, which could have a material adverse effect on our business financial condition and results of operations.

13. ***Higher rates of logistic and commission charges for the sale of our products through the online platform including prominent E-Commerce platform will increase our cost may reduce our profit margin***

Majority of sales of our products are through prominent E-Commerce platform. Due to increased competition for apparel market through online and offline channels in India over the last few years, dependencies on the prominent E-Commerce platform is rising at faster rate and consequent commission charges payable to such prominent E-Commerce platform for sales on their platform are also on the rise.

Similarly, we rely on third parties for our logistic support for sales from online platforms and also reverse logistic support in case of return of products by the customer. Accordingly, we may need to pay higher commission as well as logistic charges as a % of total operating revenue and to remain competitive in attracting the larger customer base that our business requires.

Details of our expenses for the period ended December 31, 2023 and for Financial Year 2022-2023 and 2021-2022 are as below:

(*Rs.in Lakhs*)

Particulars	**December 31,2023**		**FY 2022-23**		**FY 2021-22**		**FY 2020-21**	
Expenses Breakup	**Amt**	**% of Revenue from Operations**	**Amt**	**% of Revenue from Operations**	**Amt**	**% of Revenue from Operations**	**Amt**	**% of Revenue from Operations**
Commission Fees	212.15	9%	550.36	12%	918.67	17%	1110.11	24%
Logistics Charges	107.55	4%	284.84	6%	398.67	7%	617	1%
Total	**319.70**	**13%**	**835.20**	**18%**	**1317.34**	**24%**	**1171.81**	**25%**

Increase in Logistic and Commission cost may reduce our profit margins and have a material and adverse effect on our results of operations.

14. ***Our Company does business with customers on Purchase Order basis and do not enter into any agreement with our customer and we not have fixed customer base. There can be no assurance that we may get repeat order flows from our customers***

We are primarily into fashion industry and our business model is such that our sales are in the spot market and we do not enter into any long term or fixed contracts with our customers. Further, at present we sell our products through multichannel sales network that we have built over the years comprising of our exclusive brand outlets ("EBOs"), our own D2C website www.jaipurkurti.com and all the prominent E-Commerce players such as Myntra, Nykaa Fashion, Ajio, Tata Cliq, Amazon, Flipkart etc. as well as through multi-brand outlets ("MBOs") network by opening SIS Outlets in various cities.

There can be no assurance that we shall get repeat order flow from our customers. While we believe that our brand is well known in the market and our qualitative supply at competitive prices shall ensure that we get sufficient orders, there can be no assurance that we shall be able to create sufficient demand for our products. Any contraction in our customer base or lack of order may adversely affect our revenue from operations and consequently our profitability.

15. Our Company is subject to certain tax proceedings, which, if determined adversely, may affect our business and financial condition.

Our Company are currently involved in certain tax proceedings in India. We cannot assure you that such proceedings will be decided in favour of our Company. Any adverse decision in such proceedings may render our Company to pay penalties. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, employment and labour law related, civil litigation etc.

A classification of the outstanding proceedings is given in the following table:

Particulars	Criminal Matters	Matters involving material violations of statutory regulations	Economic offences where proceedings have been initiated against our Company	Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters, which if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Tax Proceedings	Aggregate amount involved (₹ in lakhs)
Against the Company	-	-	-	-	6	16.17
By the Company	-	-	-	-	-	-
Against the Subsidiary	-	-	-	-	6	14.17
By the Subsidiary	-	-	-	-	-	-

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

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. While we aim to accurately forecast the demand for our products and avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. Critical factor to ensure success in our line of business is timely supply of products. Higher waiting time, late delivery, wrong product or out of stock can directly lead to downfall in sales. If we over-stock inventory across the board, our capital requirements may increase and we may incur costs relating to aging and obsolesce of inventory as well as excess raw material. Our inability to accurately forecast demand for our products and manage our inventory may therefore have an adverse effect on our business, results of operations and cash flows.

17. We are subject to sales return risk owing due to majority of our products being sold through digital platform

Due to the nature of business our company is operating in, avoiding sales return is inevitable. Given abundant options of designs, patterns, colors, fits and brands, customer have an option to return the product that do not match their choice and occasion.

During the period ended December 31, 2023 and Financial Years 2022-2023 and 2021-2022, sales return from customers contributed to ₹ 873.18 Lakhs, ₹ 1,920.69 Lakhs and ₹ 2,429.24 lakhs, constituting 26.05%, 30.03% and 30.56% of gross revenue from operations, respectively. We are required to continuously bring products that resemble to the trends and comfort of our customers. In this digital era, where a product could be brought to home with a just a click, the return procedure is also the same for the convenience of our customers. We cannot assure that in future our products will not be returned and cost for the same will be borne by the company. As a result, we may lose customers and incur liabilities for failure to execute orders, which could have a material adverse effect on our business financial condition and results of operations.

18. Our cost of production is exposed to fluctuations in the prices of raw materials required for the manufacture as well as its availability

Our company is exposed to fluctuations in the prices of our major raw materials i.e. fabric as well as its availability, particularly as we typically do not enter into any supply agreements with our suppliers and fabrics are bought by our Company

from suppliers on an order to order basis. The prices of the various raw materials used in our manufacturing process are subject to fluctuations in the prices due to changes in core prices of minerals as a natural resource etc. We may be unable to make adequate provisions for the price fluctuations and, consequently, any adverse fluctuations that we have not factored in or provided for may adversely affect the results of our operations and our financial conditions. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. These factors could adversely affect our business, results of operations, financial condition and cash flows.

19. Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition

Our business and assets could suffer damage from fire, natural calamities and the goods transported to our customers could suffer from damage, misappropriation or other causes, resulting in losses, which may not be covered / fully compensated by insurance. Legal proceedings or other actions may be initiated against us or any of our employees for acts and conduct of our employees which may occur due to various reasons including misconduct with customers. In the event of personal injuries, damage or other accidents suffered by our employees or our customers or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our principal types of coverage include Plant and Machinery, Building, Ready Stock, Furniture and fixtures and Cash Insurance. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

20. Our business depends on the timely and continual purchases of and payments for our products by our franchisee and retailing customers, both in the short and long term. Their delay or failure to do so may adversely impact our business, cash flows and results of operations

As of December 31, 2023, our company has 12 EBOs (comprising 8 COCO outlets and 4 FOFO outlets) across 7 states in India. We despatch our finished goods to our FOFO outlets, who then sell the products to end consumers. For the financial years 2022-2023, 2021-2022 and the nine months ended December 31, 2023, revenue generated from our EBOs amounted to ₹448.73 lakhs, ₹334.13 lakhs and ₹470.06 lakhs respectively, and represented 9.18%, 5.33%% and 18.42% of our revenue from operations, respectively. While we are expanding our FOFO model as well as MBOs network by opening SIS Outlets in various cities of India, we depend on our franchisee owned EBOs / MBO's being able to continue selling our products in the requisite quantities, at the stipulated prices and in a timely manner. Macroeconomic conditions, which are beyond our control, could also result in financial difficulties for our franchisee and retailing customers, including limited access to the credit markets, insolvency or bankruptcy. Limited consumer demand may also impact their cash flows and ability to purchase products from us. Such conditions could cause our counterparties to delay payment, request modifications to their payment terms, or default on their payment obligations to us, all of which could increase our trade receivables and/or write offs of trade receivables, as well as our cash flows. While there have been no past instances modifying payment terms outside the ordinary course of business which had a material impact of the Company's business or results of operations, we cannot assure that such instances may not occur in the future.

21. Significant disruptions of our information technology systems or breaches of data security could adversely affect our business, cash flows, financial condition and results of operations

Our business model relies on the strength of our technology systems and our established systems and processes. Most of our business processes are system driven with minimal manual intervention. We believe that a robust IT infrastructure is essential for ensuring strong operational efficiencies and enhancing productivity and we continue to focus on building and improving our IT capabilities. As a result, over the years, we have implemented technology initiatives at the front end and back end of our operations, including our procurement, manufacturing monitoring, distribution and supply chain operations. The size and complexity of our software and hardware systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Although to date we have not experienced a major disruption in our operations due to failure of or attack

on such systems, we cannot assure you that we will not encounter such events or disruptions in the future, and any such event or disruption may adversely affect our business. We have data backup and remote disaster recovery systems in place which creates backup of all data that is stored on our servers, with backup synchronization taking place at periodic intervals in a day. However, any significant disruptions could result in the loss of key information and disruption of production and business processes, which could adversely affect our business. While we do not have any specific insurance policy covering cyber risks, we have internal policies configured in our ERP along with other IT applications that we use to prevent any data leakage from our systems. However, our systems may be potentially vulnerable to data security breaches, whether by employees or others that could expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our reputation, business and results of operations.

Our business undergoes changes, with the frequent introduction of new products and designs and changes in prices. Although we strive to maintain and upgrade our technologies and facilities in line with current international standards, we cannot assure you that we will be able to successfully make timely and cost effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by competitors will not render our products less competitive or attractive. The cost of implementing new

technologies for our operations could be significant, and changes in technology may render our current technologies obsolete or require us to make substantial capital investments, and could adversely affect our business, cash flows, financial condition and results of operations.

22. Pricing pressure from our competitors may affect our ability to maintain or increase our product prices and, in turn, our revenue from product sales, gross margin and profitability, which may materially and adversely affect our business, cash flows, financial condition and results of operations

Competitive pricing by our competitors may manifest in various forms, including, among others, through our competitors lowering their prices for similar products. This may lead to a decrease in our revenues and profits. Moreover, if our franchisees fail to follow our retail price stipulations, our brand value and the public perception of our brand positioning could be negatively affected. We may seek to reduce the price of our raw materials and production through negotiations with our suppliers and streamline product designs to offset the impact of pricing pressure. We cannot assure you that we will be able to avoid future pricing pressure from our competitors or offset the impact of any price reductions through continued technological improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes, or other cost reductions through other productivity initiatives. If we were to face competitive pricing from our competitors, and the aforementioned measures or other steps we take fail to maintain or increase our margins and revenues from product sales, our business, financial condition and results of operations may be adversely affected.

23. Current locations of our exclusive brand outlets may become unattractive, and suitable new locations may not be available for a reasonable price, if at all

The success of any store depends in part on its location. We cannot assure you that current locations of our EBO store(s) will continue to be attractive or profitable as demographic patterns change, or as leases are renewed/extended on terms less favourable to us. Neighbourhood or economic conditions where stores are located could decline in the future, thus resulting in reduced sales in those locations. Alternatively, neighbourhoods could continue to improve and escalate real estate prices, which may not be proportionate to the sales we are able to carry out. In the event real estate prices increase or if we are unable to renew lease agreements for our existing stores on terms favorable to us, such store locations may not be profitable for our business, and we may be compelled to reassess the feasibility of such stores.

24. Our growth and profitability depend on the level of consumer confidence and spending in India and the overseas jurisdictions in which we operate

Our results of operations are sensitive to changes in overall economic and political conditions that impact consumer spending. Many factors outside of our control, including interest rates, volatility of India's and the world's stock markets, inflation, tax rates and other government policies, unemployment rates, and pandemics other similar health emergencies can affect consumer confidence and spending. The domestic and international political environments, including conflicts, political turmoil or social instability, may also affect consumer confidence and reduce spending, which could affect our growth and profitability.

25. Our success depends on the efforts and abilities of our founder and our Managing Director, Mr. Anuj Mundhra, and our Whole Time Director, Mrs. Vandana Mundhra, our senior management and other key personnel, as well as our ability to retain and attract qualified and skilled personnel. Our inability to do so may adversely affect our business, cash flows, results of operations and financial condition.

Our performance depends largely on the efforts and abilities of our founder and our Managing Director, Mr. Anuj Mundhra, and our Whole Time Director, Ms. Vandana Mundhra, our senior management and other key personnel. We believe that the inputs and experience of Mr. Anuj Mundhra and Ms. Vandana Mundhra are key for the growth and development of our business and operations and the strategic direction taken by our Company and we rely heavily on their direction and vision for our overall business strategies. Our business and operations teams also include a highly experienced and capable management team. The members of our management team and other key personnel are employed pursuant to customary employment agreements, which may not provide adequate incentive for them to remain with us or adequately protect us if they leave our employment. If we lose the services of Mr. Anuj Mundhra, Ms. Vandana Mundhra or any member of our management team or key personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which may require a long period of time. This might significantly delay or prevent the achievement of our business objectives, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Any inability on our part to retain and hire such personnel or find suitable replacements in a timely manner may adversely affect our business, cash flows, results of operations and financial condition.

We may be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining employees that our business requires. We cannot assure you that we will be able to recruit and retain experienced and capable employees or find adequate replacements in a timely manner, or at all. Any inability on our part to do so may adversely affect our business, cash flows, results of operations and financial condition.

26. We have significant working capital requirements and may require additional financing. If we fail to obtain additional financing on terms acceptable to us, or otherwise experience insufficient cash flows to fund our working capital, there may be an adverse effect on our business and results of operations

Our business requires significant working capital, such as to finance the purchase of raw materials, finished goods and other operating expenses for the operation of EBOs and MBOs. In addition, the actual amount of our future capital requirements may differ from estimates as a result of, among other factors, cost overruns, unanticipated expenses, regulatory changes, economic conditions, additional market developments and new opportunities in the industry.

These factors may result in the incurrence of future short term borrowings. Continued increases in our working capital requirements may have an adverse effect on our business and results of operations. We may from time to time raise additional funds in the future through the incurrence of debt, our interest and debt repayment obligations will increase or arise. Such debt could also be on variable interest rates. We cannot assure you that such obligations will be undertaken on favorable terms. This will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our indebtedness (if any), general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. In particular, any future performance issues on our part or in our industry which may increase interest rates for our future borrowings and adversely affect our ability to borrow on a competitive basis or to renew maturing debt, as well as additional terms and conditions being included in any subsequent financing arrangements.

Although there have been no instances in the past, we may become subject to additional restrictive covenants in the financing agreements we enter into, which could limit our ability to access cash flows from operations and undertake certain types of transactions. If any of the foregoing were to occur, our expansion plans, our business, financial condition and results of operations may be adversely affected. Further, any issuance of equity would result in a dilution of the shareholding of existing shareholders, decrease in earnings per Equity Share and could adversely impact our Equity Share price.

27. Our inability to meet any future obligations, including financial and other covenants under the debt financing arrangements that we may enter into, could adversely affect our business, cash flows, financial condition and results of operations

Our ability to service debt we incur will depend primarily on our future cash flows, and we may not be able to generate sufficient cash to do so. If we fail to service the debt repayment obligations that we undertake, the relevant lenders could declare us to be in default.

Certain of our financing agreements contain restrictive covenants that limit our ability to undertake certain types of actions, any of which could adversely affect our business and financial condition. For details, please refer to "Statement of Financial Indebtedness" on page 175. We are also required to obtain prior approval from or provide prior information to our lenders for several types of corporate actions such as change in business, mergers or acquisitions, restructurings, change in control or management, among others. Any failure to satisfactorily comply with any condition or covenant under the financing agreements (including technical defaults) we entered into, may lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities, and enforcement of events of default as well as cross defaults under certain other financing agreements we entered into, any of which may adversely affect our business, cash flows, financial condition and results of operations.

Further, we have granted security interests over certain of our assets, including our existing or future current assets, existing or future movable assets, book debts, receivables or stock in trade, to secure our borrowings. Although there have been no instances in the past, any failure to satisfy any obligations under such borrowings could lead to the forced sale and seizure of any assets secured as such, which may adversely affect our business, cash flows, financial condition and results of operations.

28. Substantially all of our EBOs, our Registered Office are utilized on leasehold basis. If we are unable to comply with the terms of these leases, renew our agreements or enter into new agreements on favourable terms, or at all, our business and results of operations may be adversely affected.

As our EBOs and Registered office are held on a leasehold basis, lease costs account for a significant portion of our expenses. Our rent and hire charges, including as a percentage of our revenue from operations, may increase in the future as we seek to increase the number of our retail stores, expand our warehousing operations and due to contractual escalation of rents payable in accordance with the lease agreements entered into by us. The lease periods and rental amounts for these properties vary on the basis of their locations.

We cannot assure you that we will be able to fully comply with all the terms of the lease deeds which we have entered into. If we fail to meet any such conditions, we may incur liability, and the lease(s) may be terminated. Further some of our lease deeds may have expired and will be renewed in due course. Further, some of our lease deeds for our properties may not be registered and consequently, may not be accepted as evidence in a court of law.

Our failure to maintain or renew such agreements on favorable conditions and in a timely manner, or at all, could require us to vacate such facilities and lease alternative locations, which may not be on commercially acceptable terms. In particular, certain of our EBOs rely heavily on their attractive locations for their sales, and suitable alternative premises may not be unavailable. If such EBOs are required to relocate or discontinue our business operations in certain areas, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

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

We have entered into certain transactions with related parties and are likely to continue to do so in the future. All related party transactions entered into by us in the last three financial years have been at arms' length and in the interests of our Company. Although all related party transactions that we may enter into in the future are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties.

Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition and results of operations. For details on our related party transactions, see "Financial Information – Related Party Transactions" beginning on page 94

30. Our inability to protect or use our trademark or logo may adversely affect our business.

Our name and trademarks are significant to our business and operations. We believe that several of our trade names have significant brand recognition. The use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance and the market price of the Equity Shares. As on date of this Draft

Letter of Offer, our Company has 11 registered trademarks/logos under various classes. Further, our Company also uses one trademark "Amaiva" which are registered in the name of our Promoter Ms. Vandana Mundhra and our Company uses such copyright under Brand-License agreement entered into between our Company and Ms. Vandana Mundhra. For further details, see "***Our Business***" on page 72. Our inability to maintain these registrations may adversely affect our competitive business position, affect our brand value and consequently have an adverse effect on our business, results of operations and financial condition.

31. The success of our business depends on our ability to identify and acquire rights to quality retail spaces. If we fail to lease targeted properties, this may adversely affect our business, operations and profitability.

The success of our business depends on our ability to identify and acquired rights on a leasehold basis to quality retail spaces at appropriate terms and conditions. We compete with other large retailers to obtain real estate properties. If we fail to lease targeted properties, we may face delays in the execution of our expansion programme, which may result in cost overruns or otherwise adversely affect our business, operations and profitability.

32. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, we may not be able to utilise the proceeds from this Issue in a timely manner or at all.

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, see "***Objects of the Issue***" on page 47. Further, our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy and therefore we may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as fluctuations in raw material prices, changes in input cost, and other financial and operational factors. Accordingly, we may not be able to utilise the proceeds from this Issue in the manner set out in this Draft Letter of Offer in a timely manner or at all. As regards utilisation of Net Proceeds for repayment of loans or prepayment of loan will be based on various factors, including the factors specified in the section "***Objects of the Issue***" on page 47.

33. Our Promoters will continue to retain significant shareholding in our Company after the issue, which will enable them to exercise significant control over us.

After the completion of the Issue, Our Promoters and Promoter Group will continue to collectively own a substantial portion of our issued Equity Shares. Pursuant to subscription of Equity Shares in the Issue, in case public shareholders do not subscribe fully, the collective holding of our Promoters and Promoter Group may increase above their current holdings. Our Promoters and Promoter Group will therefore continue to have the ability to exercise a controlling influence over our business which will allow them to vote together on certain matters in our general meetings. Accordingly, the interests of our Promoters as our controlling shareholders may conflict with your interests and the interests of our other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

34. The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilization of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same.

35. Our Company has not paid any dividends in the past three years and we may not be able to pay dividends in the future.

Our Company has not declared dividends for last three financial year and our Company may not be able to declare dividends in the future. The declaration, payment and amount of any future dividends is subject to the discretion of the Board and Shareholders, and will depend upon various factors, inter alia, our earnings, financial position, capital expenditures and availability of profits, restrictive covenants in our financing arrangements and other prevailing regulatory conditions from time to time. Any of these factors may thus restrict our ability to pay dividends in the future. If we are unable to pay dividends in the future. Realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

ISSUE SPECIFIC RISK

36. Our Company will not distribute the Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch this Draft Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "**Offering Materials**") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

37. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021 and October 1, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6,2020, July 24,2020, January 19,2021 and April 22, 2021, October 1, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, please refer to "***Terms of the Issue***" beginning on page 197 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●]") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

38. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

39. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On-market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, please refer to "***Terms of the Issue***" beginning on page 197 of this Draft Letter of Offer.

40. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. 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 may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a 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 gains made upon the sale of the Equity Shares.

42. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

43. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

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

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

45. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

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

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

47. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISK FACTOR

48. The coronavirus disease (COVID-19) has had an adverse effect on our business and operations and the extent to which it may continue to do so in the future, is uncertain and cannot be predicted.

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local national and global economies and financial markets. The global impact of the COVID-19 pandemic has rapidly evolved, and public health officials and governmental authorities had responded by taking measures, including in Rajasthan where our operations are primarily based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay at home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning March 25, 2020. Further, India experienced a severe second wave of COVID-19 between March 2021 and June 2021.

While the lockdown does not remain in force, in case the lockdown is reintroduced, it could result in subdued growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect our business, prospects, results of operations and financial condition. The COVID-19 pandemic has affected our business and operation. The pandemic may continue to affect our business, results of operations and financial condition in a number of ways. The ultimate impact will

depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India or in the regions in which we operate, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

49. Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.

Summary statements of assets and liabilities as at March 31, 2021 and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2021 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

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

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

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 services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

51. 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.

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

1. any increase in Indian interest rates or inflation;

2. any scarcity of credit or other financing in India;
3. prevailing income conditions among Indian consumers and Indian corporations;
4. changes in India's tax, trade, fiscal or monetary policies;
5. political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
6. prevailing regional or global economic conditions; and
7. other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

52. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

53. Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

54. 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.

55. 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, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

56. 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 favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

57. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

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

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

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

1. any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;

2. any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;

3. prevailing income conditions among Indian customers and Indian corporations;

4. epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;

5. hostile or war like situations with the neighboring countries;

6. macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;

7. decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;

8. downgrading of India's sovereign debt rating by rating agencies; and

9. difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
10. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. 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.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on January 10, 2024 and through a resolution passed through Postal ballot by Members on February 16, 2024, pursuant to Section 62(1)(a) of the Companies Act. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors held on [●]. The following is a summary of the Issue, and it should be read in conjunction with, and is qualified entirely by, the information set out in the chapter titled "***Terms of the Issue***" beginning on page 197.

Particulars	Details of Equity Shares
Rights Equity Shares proposed to be issued	Up to [●] Equity Shares fully paid-up
Rights Entitlement	Up to [●] Equity Share for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any
Record Date	[●]
Face Value per Equity Share	₹10
Issue Price per Rights Equity Shares	₹[●] per Equity Share (including a premium of ₹[●] per Equity Share)
Issue Size	Up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] (including a premium of ₹ [●]) per Rights Equity Share aggregating up to ₹ 1,600 Lakhs[#] [#]*Assuming full subscription, to be adjusted as per the Rights Entitlement ratio*
Voting Rights & Dividend	The Equity Shares issued pursuant to this Issue shall rank pari pasu in all respects with the Equity Shares of our Company and such dividend as may be declared by our Board and our shareholders, as per applicable laws.
Equity Shares issued, subscribed and paid up prior to the Issue	1,14,83,950 Equity Shares. For details, please refer to "***Capital Structure***" beginning on page 44.
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●][#] Equity Shares [#]*Assuming full subscription*
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Scrip Details	**ISIN:** INE696V01013 **NSE:** JAIPURKURT
ISIN for Rights Entitlements	[●]
Use of Issue Proceeds	For details, please refer to "***Objects of the Issue***" beginning on page 47.
Terms of the Issue	For details, please refer to "***Terms of the Issue***" beginning on page 197.
Terms of Payment	For details, please refer to "***Terms of the Issue***" beginning on page 197.

Please refer to the chapter titled "***Terms of the Issue***" on page 197.

GENERAL INFORMATION

Our Company was incorporated as "Nandani Creation Private Limited" on February 21, 2012, under the Companies Act, 1956 with the Registrar of Companies, Jaipur, Rajasthan. Subsequently, our Company was converted into a Public Limited Company and the name of our Company was changed to "Nandani Creation Limited" vide special resolution dated August 03, 2016 and a fresh certificate of incorporation consequent to the conversion was granted to our Company on August 12, 2016, by the Registrar of Companies, Jaipur, Rajasthan. The registered office of our Company was originally situated at F-95, Kartarpura Industrial Area, Near 22 Godam, Jaipur - 302006. Thereafter, the registered office of our Company was changed to G-13, Kartarpura Industrial Area, Near 22 Godam Jaipur 302006, Rajasthan, India.

Registered Office of our Company

Nandani Creation Limited
G-13, Kartarpura Industrial Area,
Near 22-Godam, Jaipur-302006, Rajasthan
Telephone: 0141-4037596 / 0141-4029596
Website: www.nandanicreation.com
E-mail: info@jaipurkurti.com
Corporate Identity Number: L18101RJ2012PLC037976
Registration Number: 037976

Address of the Registrar of Companies

Our Company is registered with the RoC, Jaipur, which is situated at the following address:

Registrar of Companies, Jaipur
C/6-7, 1st Floor, Residency Area, Civil Lines
Jaipur-302001, Rajasthan, India
Telephone: 0141-2981913/ 14/ 15/ 17
Email: roc.jaipur@mca.gov.in

Company Secretary and Compliance Officer

Gunjan Jain
G-13, Kartarpura Industrial Area,
Near 22-Godam, Jaipur-302006, Rajasthan
Telephone: +91 0141-4037596 / 0141-4029596
E-mail: csgunjan.jain@jaipurkurti.com

Lead Manager to the Issue

Srujan Alpha Capital Advisors LLP
Registered Address: 112A, 1st floor, Arun Bazar
S.V. Road, beside Bank of India
Malad (West), Mumbai - 400 064
Correspondence Address: 824 & 825, Corporate Avenue
Sonawala Rd, opposite Atlanta Centre, Sonawala Industry Estate
Goregaon, Mumbai – 400 064
Tel: +91 022- 46030709
Contact Person: Jinesh Doshi
E-mail: ncl.rightsissue@srujanalpha.com
Website: www.srujanalpha.com
SEBI Registration Number: INM000012829

Legal Advisor to the Issue

Vidhigya Associates, Advocates
501, 5th Floor, Jeevan Sahakar Building
Sir P M Road, Homji Street
Fort, Mumbai - 400 001
Tel No: +91 84240 30160
Email: rahul@vidhigyaassociates.com
Contact Person: Rahul Pandey

Statutory Auditors of our Company

M/s Ashok Holani & Co.
B-15/16, Shiv Marg, Bani Park,
Jaipur-302016
Telephone: +91 141-2203996
E-mail: ashokholanico@gmail.com
Peer review certificate no: 009840C
Firm registration number: 009840C

Registrar to the Issue

Bigshare Services Private Limited
Office No. 36-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Center, Mahakali Caves Road,
Andheri East, Mumbai-400093
Tel: +91 22-6263 8200
Fax No: +91 22-6263 8200/22
E-mail: rightsissue@bigshargonline.com
Investor Grievance ID: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Suraj G.
SEBI Registration No.: INR000001385

Banker(s) to the Issue

Axis Bank Limited
Matru Smriti Plot No.326, Main Linking Road,
Next to Zoya Showroom, Khar (West), Mumbai-400052
Contact Person: Vijaya Maruti Shetti
Designation: Branch Head
Contact No: 022-26007698
Email: khar.branchhead@axisbank.com
Website: www.axisbank.com

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs or the SBA Process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. On allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se allocation of responsibilities

Since only one lead manager has been appointed for purposes of the Issue, there is no requirement of an inter-se allocation of responsibilities. The Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue.

Credit Rating:

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

Debenture Trustees

This is an issue of Equity Shares; the appointment of Debenture trustees is, therefore, not required.

Monitoring Agency

The Net Proceeds of the Issue will be less than ₹10,000 Lakhs. The SEBI ICDR Regulations does not mandate appointment of a monitoring agency for such issues. Our Company will, therefore, not appoint a monitoring agency.

Underwriting Agreement

Our Company may enter into an Underwriting Agreement with Underwriter(s) for underwriting the Rights Equity Shares. The details of such Underwriting Agreement, if entered into, shall be included in the Letter of Offer to be filed with the Stock Exchange pursuant to receipt of observations on this Draft Letter of Offer, if any. Our Company shall ensure and provided a declaration to the effect that the Underwriter(s) appointed shall have sufficient resources to enable them to discharge their underwriting obligations in full.

Investor Grievance

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Form, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see "***Terms of the Issue- Procedure for Application through the ASBA process***" on page 208.

Minimum Subscription

The objects of the Issue involve following (i) To augment the existing and incremental working capital requirement of our Company (ii) Investment in our Subsidiary, Desi Fusion Private Limited (DFPL) for funding its Working Capital Requirement (iii) General Corporate Purposes

Our Promoters and member of our Promoter Group have, vide their letters dated March 20, 2024 (the "**Subscription Letters**") undertaken that they may subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company.

Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

Appraising Entity

The objects of this Issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees Ten lakhs to Rupees Five thousand lakhs. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with NSE and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Issue Schedule

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board, or a duly authorized committee thereof, will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date have not provided details of their demat accounts to our Company or to the Registrar, they must provide their demat account details to our Company or the Registrar no later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable credit of the Rights Entitlements to their respective demat accounts by transfer from the demat suspense escrow account, which will happen one day prior to the Issue Closing Date, i.e., [●]. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar at www.bigshareonline.com Such Eligible Equity Shareholders can make an application only after the Rights Entitlements are credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. It is encouraged that the Application Forms are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to "***Terms of the Issue - Procedure for Application***" beginning on page 197.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder may be accessed by such respective Eligible Equity Shareholder on the website of the Registrar at www.bigshareonline.com after keying in their respective details along with other security control measures implemented thereat. For further details, please refer to "***Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" on page 200.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from the market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who receive credit of the Rights Entitlements must make an Application to subscribe to the Equity Shares offered under the Rights Issue.

CAPITAL STRUCTURE

The share capital of our Company, as at the date of this Draft Letter of Offer, and details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below:

(in ₹, except shares data)

		Aggregate value at Face Value	Aggregate value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	1,80,00,000 Equity Shares of ₹10 each	18,00,00,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	1,14,83,950 Equity Shares of ₹10 each	11,48,39,500	-
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER**[(1)]		
	Up to [●] Equity Shares, each at a premium of ₹ [●] per Equity Share, i.e., at a price of ₹ [●] per Equity Share	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of ₹ [●] each, fully paid up[# (1)]	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		9,66,00,000
	After the Issue[(2)]		[●]

[#] To be updated upon finalisation of the Issue Price.

[(1)]The Issue has been authorised by our Board pursuant to a resolution dated January 10, 2024 and through a resolution passed through Postal ballot by Members on February 16, 2024, pursuant to Section 62(1)(a) of the Companies Act. The terms of the Issue, including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Board at their meeting held on [●].

[(2)] Assuming full subscription for, and Allotment of, the Equity Shares. Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.

Notes to the Capital Structure

1. **Intention and extent of participation by our Promoters and Promoter Group in the Issue:**

   Our Promoters and member of our Promoter Group have, vide their letters dated March 20, 2024 ("**Subscription Letters**") have informed that they may or may not fully subscribe to their respective entitlements, arising out of the proposed Rights Issue and may renounce a part of their rights entitlement in the favour of third parties whom our Promoters and Promoter Group may identify in due course.

   Therefore, if Promoter and Promoter group do not fully subscribe to their respective entitlements, the criteria required for exemption from minimum subscription of 90% of the Issue set out in the second paragraph to the proviso to Regulation 86(1) of the SEBI ICDR Regulations is not met by our Company.

   Our Company must, therefore, will have to ensure a minimum subscription of 90% of the Issue in this proposed Rights Issue. In the event of non-receipt of minimum subscription, all application monies received shall be refunded to the Applicants / ASBA account unblocked forthwith, but not later than four days from the closure of the Rights Issue, in compliance with Pursuant to regulation 86(2) of the SEBI ICDR Regulations.

2. The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with the valuation formula set out in Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹[●] per Equity Share.

3. **Shareholding Pattern of our Company as per the last filing with the Stock Exchange, in compliance with the provisions of the SEBI LODR Regulations:**

   (i) The shareholding pattern of our Company, as on December 31, 2023, may be accessed on the website of the NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern

   (ii) A statement as on December 31, 2023, showing holding of Equity Shares of persons belonging to the category of "Promoter and Promoter Group", including details of lock-in, pledge and encumbrance thereon, may be accessed on the website of the NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern

(iii) A statement as on December 31, 2023, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", including equity shareholders holding more than 1% of the total number of Equity Shares, as well as details of shares which remain unclaimed may be accessed on the website of the NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern

4. **Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:**

   The details of shares locked-in, pledged and encumbered by the Promoters and Promoter Group may be accessed on the website of the NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern.

5. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

6. At any given time, there shall be only one denomination of the Equity Shares of our Company.

7. **Details of specified securities acquired by our Promoters and Promoter Group in the last one year immediately preceding the date of filing of the Draft Letter of Offer**

   Neither of our Promoters nor our Promoter Group have acquired any securities in the last one year, immediately preceding the date of filing of this Draft Letter of Offer.

8. **Details of outstanding securities of our Company**

   Except as stated below there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer

   Convertible warrants

   The Board of our Company in its board meeting held on November 04, 2022 and vide Members approval through resolution dated December 21, 2022, approved to inter alia issue of one or more tranches upto 10,00,000 (Ten Lakhs) warrants each carrying a right to subscribe to one equity shares of the Company at an issue price of ₹ 79/- per warrant, including premium of ₹69/- per warrant, on a preferential basis to the following Warrant Allottees (Non- Promoters Investors) which carry the right to be converted into Equity Shares of Rs. 10/- (Rupees Ten) each, on such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the ICDR Regulations or other applicable laws, to the following proposed allottees:

S. No.	Name of Warrant Allottees	No. of Convertible Warrants to be issued	Total Consideration (₹)	Category
1	Dilip Nanji Chheda	Up to 1,50,000	1,18,50,000	Public
2	Arun Kumar Ganeriwal	Up to 1,00,000	79,00,000	Public
3	Zyana Stocks and Commodities	Up to 2,50,000	1,97,50,000	Public
4	Allright Multitrades LLP	Up to 5,00,000	3,95,00,000	Public
	TOTAL	Up to **10,00,000**	**7,90,00,000**	-

The Warrants issued are subject to conversion into equal no. of Equity Shares at any time within a period of 18 (Eighteen) months from the date of allotment into one Equity Share of face value of ₹ 10/- each for each Warrant.

As on date of draft letter of there are 9,50,000 outstanding convertible warrants which warrant holders shall get one equity shares against one warrant on such terms and conditions as may be determined by the Board in accordance with the provisions of Chapter VII of the ICDR Regulations or other applicable laws, to the following proposed allottees:

S. No.	Name of Warrant Allottees	No. of Convertible Warrants to be issued	Total Consideration (₹)	Category
1	Dilip Nanji Chheda	1,50,000	1,18,50,000	Public
2	Arun Kumar Ganeriwal	1,00,000	79,00,000	Public
3	Zyana Stocks and Commodities	2,50,000	1,97,50,000	Public
4	Allright Multitrades LLP	4,50,000	3,55,50,000	Public
	TOTAL		**7,50,50,000**	

9. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. The Rights Equity Shares, pursuant to this Issue shall fully paid up.

10. Our company does not have any employee stock option scheme (ESOS) or employee stock purchases scheme (ESPS)

Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the section entitled "***Terms of the Issue***" on page 197.

OBJECTS OF THE ISSUE

The Net Proceeds from the Issue are proposed to be utilized by our Company for the objects set out below ("**Objects**").

1. To augment the existing and incremental working capital requirement of our Company

2. Investment in our Subsidiary, Desi Fusion Private Limited (DFPL) for funding its Working Capital Requirement; and

3. General corporate purposes.

We intend to utilize the gross proceeds raised through the Issue (the "**Issue Proceeds**") after deducting the Issue related expenses ("**Net Proceeds**") for the above-mentioned Objects.

The main objects clause and objects incidental or ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Details of objects of the Issue

The details of the objects of the Issue are set forth in the following table:

(₹ In lakhs)

Particulars	Estimated Amount
Gross Proceeds from the Issue[*#]	Up to 1,600
Less: Issue Related Expense[**]	[●]
Net Proceeds from the Issue	**[●]**

[*] *Assuming full subscription and Allotment of the Rights Entitlement.*
[**] *See "**Estimated Issue Related Expenses**" on page [●]*
[#] *If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

Requirement of Funds

The details of the Net Proceeds are set forth in the following table:

(₹ In lakhs)

Sr. No.	Particulars	Estimated Amount
1.	To augment the existing and incremental working capital requirement of our Company	600.00
2.	Investment in our Subsidiary, Desi Fusion Private Limited (DFPL) for funding its Working Capital Requirement	600.00
3.	General Corporate Purposes*	[●]
Net Proceeds from the Issue**		**[●]**

[*] *Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.*
[**] *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Schedule of Implementation and Deployment of Funds

(₹ In lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the FY 2023-24	Estimated deployment of Net Proceeds for the FY 2024-25
-	To augment the existing and incremental working capital requirement of our Company	600.00	-	600.00
-	Investment in our Subsidiary, Desi Fusion Private Limited (DFPL) for funding its Working Capital Requirement	600.00	-	600.00
-	General Corporate Purposes[#]	[●]	[●]	[●]
Total Net Proceeds from the Issue[*]		**[●]**	**[●]**	**[●]**

[#]The amount to be utilized for General corporate purposes will not exceed 25% of the Gross Proceeds;
[*]Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio

Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Our Company may also utilize any portion of the Net Proceeds, towards the aforementioned objects of the Issue, ahead of the estimated schedule of deployment specified above. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, the same shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Details of the Objects of the Issue

1. To augment the existing and incremental working capital requirement of our Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and availed working capital loan from banks and financial institutions. We operate in a competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

Basis of estimation of working capital requirement and Details of Projected Working Capital Requirements*

The details of our Company's working capital as at March 31, 2022, March 31, 2023 and September 30, 2023 and source of funding of the same as tabled below. Further on the basis of the existing working capital requirements of the Company and the incremental and proposed working capital requirements, the details of our Company's expected working capital requirements, as approved by the management for the Fiscal 2024 and Fiscal 2025 and funding of the same are as provided in the table below:

(₹ In lakhs)

Particulars		Fiscal 2022		Fiscal 2023		Period ended 30.09.2023		Fiscal 2024		Fiscal 2025	
		Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)
I	**Current Assets**										
1	Inventories	1,439.48	154	2,063.95	304	2,352.86	481	2,451.09	424	2,730.41	302
2	Financial Assets										
	i) Trade Receivables	720.75	48	680.50	55	625.52	80	748.07	75	1,232.88	75
	ii) Cash and Cash Equivalents	20.22	-	346.39	-	30.78	-	11.64	-	72.73	-
	iii) Other Financial Assets	471.68	-	552.63	-	807.67	-	807.67	-	807.67	-
	Total Current Assets (A)	**2,652.13**	-	**3,643.47**	-	**3,816.83**	-	**4,018.47**	-	**4,843.69**	-
II	**Current Liabilities**										
1	Financial Liabilities										
	i) Trade Payables	273.80	39	159.67	34	454.39	123	512.67	120	591.78	80
2	Provisions	26.63	-	33.71	-	26.90	-	30.00	-	40.00	-
3	Other Current Liabilities	24.80	-	71.56	-	128.73	-	110.00	-	340.00	-
	Total Current Liabilities (B)	**325.23**	-	**264.94**	-	**610.02**	-	**652.67**	-	**971.78**	-
III	**Total Working Capital Gap (A-B)**	**2,326.90**	-	**3,378.53**	-	**3,206.81**	-	**3,365.80**	-	**3,871.91**	-
IV	**Funding Pattern**										
1	Non-Current Borrowings	373.85	-	138.37	-	321.58	-	321.58	-	150.00	-
2	Current Maturities	288.00	-	278.11	-	258.82	-	200.00	-	100.00	-
3	Working Capital Facilities from Bank	471.51	-	501.84	-	612.31	-	600.00	-	600.00	-
4	Internal Accruals / Owned Funds	1,193.54	-	2,460.21	-	2,014.09	-	2,244.22	-	2,421.91	-
5	From Right Issue Proceeds	-	-	-	-		-	-	-	600.00	-
	Total	**2,326.90**	-	**3,378.53**	-	**3,206.81**	-	**3,365.80**	-	**3,871.91**	-

Assumptions for Working Capital Requirements

Sr. No.	Particulars	Assumption
1.	Receivables	We had trade receivables of 48 days, 55 days and 80 days of total sales at the end of Fiscal 2022, Fiscal 2023 and 30th September 2023, respectively. We have assumed trade receivables of 75 days and 75 days of total sales at the end of each Fiscal 2024 and Fiscal 2025.

2.	Inventory	Inventory days were 154 days, 304 days, and 481 days of cost of goods sold for Fiscal 2022, Fiscal 2023 and 30th September 2023 respectively. We have assumed inventory to be 424 days and 302 days of cost of goods sold in Fiscal 2024 and Fiscal 2025.
3.	Trade Payables	Trade payable days were 39 days, 34 days, and 123 days of total purchase for Fiscal 2022, Fiscal 2023 and 30th September 2023, respectively. We have assumed trade payables to be 120 days and 80 days of total purchase in Fiscal 2024 and Fiscal 2025.
4.	Working capital Cycle	The working capital cycle of our Company was at 163 days, 326 days, and 438 days for Fiscal 2022, Fiscal 2023 and 30th September 2023 respectively. Our Company expects the working capital cycle to be around 379 days and 297 days in Fiscal 2024 and Fiscal 2025.

The total working capital requirement for F.Y. 2024-25 as per the above working shall be ₹ 3,871.91 lakhs which is to be funded through:

- Total Debt of ₹ 850 lakhs,
  1. Non-current borrowings of ₹150.00 lakhs
  2. Current Maturities of ₹100.00 lakhs
  3. Working Capital Facilities from Bank & Financial Institutions of ₹600.00 lakhs

- Owned funds / Internal accruals of ₹ 2,421.91lakhs as under:

- Balance additional working capital requirement ₹ 600 lakhs through proceeds of the proposed right issue

As such, the management of the Company as per the Resolution of Board of Directors dated March 23, 2024 earmarked ₹ 600 lakhs towards Working capital requirements of the company from the proceeds of the Rights Issue

**As Certified by Statutory Auditor vide Certificated dated March 23, 2024 bearing UDIN: 24447352BKEZXE4775*

2. Investment in our Subsidiary, Desi Fusion India Private Limited (DFIPL) for funding its Working Capital Requirement

DFIPL is engaged in the business of dyeing printing and trading of grey and running fabric. NCL procure the finished goods of subsidiary Company as its raw material and further process into apparel as per on going trends suggested by our designer team. This model gives an advantage of an integrated manufacturing process to company on group level.

Presently, DFIPL funds the majority of its working capital requirements in the ordinary course of our business from its internal accruals and availed working capital loan from banks and financial institutions. Company operates in a competitive and dynamic market conditions and may have to revise its estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, the fund requirements may also change

We anticipate reasonable growth in revenue for balance half year ending March 31 2024 and a substantial growth in revenue and operations in Financial Year 2025. This will result in significant growth in its working capital requirement from ₹ 149.67 lakhs as on March 31, 2024 to ₹ 783.21 lakhs in Financial Year 2025. To meet the additional working capital requirement of DFPL, our Company proposes to invest ₹ 600.00 lakhs of the Net Proceeds towards investment in DFIPL. The deployment of net proceeds shall be over the course of the Financial Year 2025 in accordance with the working capital requirements of DFIPL. Such investment shall be in the form of equity or debt or in the combination of both or as in any other manner as the Company decides in the way more beneficial to the Company and DFIPL. The actual mode of deployment has not been finalised as on date.

Basis of estimation of working capital requirement and Details of Projected Working Capital Requirements*

The details of our Subsidiary Company's working capital as at March 31, 2022, March 31, 2023 and September 30, 2023 and source of funding of the same as tabled below. Further on the basis of the existing working capital requirements of the Subsidiary Company and the incremental and proposed working capital requirements, the details of our Subsidiary Company's expected working capital requirements, as approved by the management for the Fiscal 2024 and Fiscal 2025 and funding of the same are as provided in the table below:

(₹ In lakhs)

Particulars		Fiscal 2022		Fiscal 2023		Period ended 30.09.2023		Fiscal 2024		Fiscal 2025	
		Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)	Amount	Holding Period (No. of days)
I	**Current Assets**										
1	Inventories	602.49	94	394.55	76	632.31	274	719.55	265	1,118.47	210
2	Financial Assets										
	i) Trade Receivables	438.31	64	54.54	10	249.59	109	198.72	70	266.30	45
	ii) Cash and Cash Equivalents	2.51	-	4.64	-	2.53	-	5.74	-	71.26	-
	iii) Other Financial Assets	5.13	-	4.82	-	31.40	-	31.50	-	30.00	-
	Total Current Assets (A)	**1,048.44**	**-**	**458.55**	**-**	**915.82**	**-**	**955.51**	**-**	**1,486.03**	**-**
II	**Current Liabilities**										
1	Financial Liabilities										
	i) Trade Payables	624.55	109	152.96	33	719.52	314	701.70	270	589.41	120
2	Provisions	13.18	-	10.66	-	11.22	-	12.00	-	13.40	-
3	Other Current Liabilities	148.47	-	141.80	-	35.40	-	80.00	-	100.00	-
	Total Current Liabilities (B)	**786.20**	**-**	**305.42**	**-**	**766.15**	**-**	**793.70**	**-**	**702.81**	**-**
III	**Total Working Capital Gap (A-B)**	**262.24**	**-**	**153.13**	**-**	**149.67**	**-**	**161.80**	**-**	**783.21**	**-**
IV	**Funding Pattern**										
1	Non-Current Borrowings	92.35	-	14.20	-	4.29	-	-	-	-	-
2	Working Capital Facilities from Bank	107.80	-	52.37	-	93.53	-	120.00	-	120.00	-
3	Internal Accruals / Owned Funds	62.09	-	86.56	-	51.86	-	41.80	-	63.21	-
4	From Right Issue Proceeds	-	-	-	-		-	-	-	600.00	
	Total	**262.24**	**-**	**153.13**	**-**	**149.67**	**-**	**161.80**	**-**	**783.21**	**-**

Assumptions for Working Capital Requirements

Sr. No.	Particulars	Assumption
1.	Receivables	We had trade receivables of 64 days, 10 days and 109 days of total sales at the end of Fiscal 2022, Fiscal 2023 and 30th September 2023, respectively. We have assumed trade receivables of 70 days and 45 days of total sales at the end of each Fiscal 2024 and Fiscal 2025.
2.	Inventory	Inventory days were 94 days, 76 days, and 274 days of cost of goods sold for Fiscal 2022, Fiscal 2023 and 30th September 2023 respectively. We have assumed inventory to be 265 days and 210 days of cost of goods sold in Fiscal 2024 and Fiscal 2025.

3.	Trade Payables	Trade payable days were 109 days, 33 days, and 314 days of total purchase for Fiscal 2022, Fiscal 2023 and 30th September 2023, respectively. We have assumed trade payables to be 270 days and 120 days of total purchase in Fiscal 2024 and Fiscal 2025.
4.	Working capital Cycle	The working capital cycle of our Company was at 49 days, 53 days, and 69 days for Fiscal 2022, Fiscal 2023 and 30th September 2023 respectively. Our Company expects the working capital cycle to be around 65 days and 135 days in Fiscal 2024 and Fiscal 2025.

The total working capital requirement for F.Y. 2024-25 as per the above working shall be ₹ 783.21 lakhs which is to be funded through:

1. Working capital loan of ₹ 120 lakhs,
2. Owned funds / Internal accruals of ₹ 63.21 lakhs as under
3. Balance additional working capital requirement ₹ 600 lakhs through proceeds of the proposed right issue

As such, the management of the Company as per the Resolution of Board of Directors dated March 23, 2024 earmarked ₹ 600 lakhs towards Working capital requirements of the company from the proceeds of the Rights Issue

**As Certified by Statutory Auditor vide Certificated dated March 23, 2024 bearing UDIN: 24447352BKEZXF1463.*

3. General Corporate Purposes

Our Company intends to deploy the balance Gross Proceeds, aggregating to ₹**[●]** lakhs towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross proceeds in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds may include, but are not restricted to, brand building and other marketing expenses, further capital expenditure, salaries and wages, rent, administration expenses, electricity bills of manufacturing plants, godown and offices, upgradation of information technology infrastructure, insurance related expenses, payment of taxes and duties, repair, maintenance, renovation and upgradation of our offices or branches, strategic initiatives, funding growth opportunities such as acquiring assets include furniture, fixtures and vehicles, leasehold improvements and intangibles, and similar other expenses incurred in the ordinary course of our business or towards any exigencies.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Issue Related Expenses

Sr. No.	Particulars	Expenses*	As a % of total expenses*	As a % of Gross Issue size*
a.	Fees of the Lead Manager, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[●]	[●]	[●]
b.	Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
c.	Regulatory fees, filing fees, listing fees and other	[●]	[●]	[●]
Total estimated Issue expenses*		[●]	[●]	[●]

Note: Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.

**Our Statutory auditors have provided a certificate dated [●], 2024 confirming the amount of the Issue expenses incurred by our Company.*

Interim use of Funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Net Issue Proceeds for any investment in equity and/ or real estate products and/ or equity linked and/ or real estate linked products.

Appraisal by Apprasing Agency

None of the objects have been appraised by any bank or financial institution or any other independent third party organizations.

Bridge Financing Facilities

As on the date of this Draft Letter of Offer, we have not entered into any bridge financing arrangements which is subject to being repaid from the Issue Proceeds.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Monitoring of Utilization of Funds

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company.

Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

Key Industrial Regulations for the Objects of the Issue

No additional provisions of any acts, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter group, the directors, associates or key management personnel or group companies. There are no material existing or anticipated transactions.

Interest of Promoters, Promoter Group and directors, as applicable to the project or objects of the issue

None of our Promoters, members of the Promoter Group and Directors have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, Directors and Key Managerial Personnel of our Company.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITOR OF THE COMPANY

To,
The Board of Directors
Nandani Creation Limited
G-13, Kartarpura Industrial Area,
Near 22-Godam, Jaipur-302006, Rajasthan

Sub: Statement of possible special direct tax benefits available to Nandani Creation Limited ("the Company") and its shareholder ("the statement")

We report that the enclosed statement in the **Annexure 1 and 2**, states the possible special tax benefits under direct and indirect tax laws presently in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor advising the investor to invest in the Offer based on this statement.

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

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

i. the Company or its shareholders will continue to obtain these benefits in future; or

ii. the conditions prescribed for availing the benefits have been/would be met with.

iii. the revenue authorities will concur with the views expressed herein.

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

Yours faithfully

For M/s. Ashok Holani & Co.,
Chartered Accountants
Firm Reg No: 009840C

Sd/-
Deepak Kumar Jangid
Partner
Membership No: 447352
Place: Jaipur
Date: March 21, 2024
UDIN: 24447352BKEZWT2015

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO NANDANI CREATION LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')

1. **Special tax benefits available to the Company under the Act**

   There are no special tax benefits available to the Company.

2. **Special tax benefits available to the shareholders under the Act**

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

Notes:

- The above Statement 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.
- The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- The above statement of possible tax benefits is as per the current direct tax laws relevant for the financial year 2023-24.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO NANDANI CREATION LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

II. **The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act")** *(collectively referred to as "indirect tax")*

1. **Special tax benefits available to the Company under the Indirect Tax**

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

2. **Special tax benefits available to the shareholders under the Indirect Tax**

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

The list of applicable tax laws to the Company and its shareholders is as follows:

Sr. No.	APPLICABLE LAW	TAX BENEFITS
1	State Goods and Services Tax Act, 2017	NIL
2	Central Goods and Services Tax Act, 2017	NIL
3	The Union Territory Goods and Services Tax Act, 2017	NIL
4	Integrated Goods and Services Tax Act, 2017	NIL
5	Customs Act, 1962	NIL
6	Customs Tariff Act, 1975	NIL

Notes:

- The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- The above statement covers only above-mentioned tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

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SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled **"Risk Factors" "Our Business"** and **"Financial Statements"** and related notes beginning on page 19, 72 and 94 respectively of this Draft Letter of Offer before deciding to invest in our Equity Shares.

GLOBAL ECONOMIC OVERVIEW

GLOBAL PROSPECTS

The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine remains slow and uneven. Despite economic resilience earlier this year, with a reopening rebound and progress in reducing inflation from last year's peaks, it is too soon to take comfort. Economic activity still falls short of its pre pandemic path, especially in emerging market and developing economies, and there are widening divergences among regions. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, the war in Ukraine, and increasing geoeconomic fragmentation. Others are more cyclical in nature, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events.

Global growth is forecast to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. The projections remain below the historical (2000–19) average of 3.8 percent, and the forecast for 2024 is down by 0.1 percentage point from the July 2023 Update to the World Economic Outlook. For advanced economies, the expected slowdown is from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024, amid stronger-than-expected US momentum but weaker-than-expected growth in the euro area. Emerging market and developing economies are projected to have growth modestly decline, from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024, with a downward revision of 0.1 percentage point in 2024, reflecting the property sector crisis in China. Forecasts for global growth over the medium term, at 3.1 percent, are at their lowest in decades, and prospects for countries to catch up to higher living standards are weak. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024. But the forecasts for 2023 and 2024 are revised up by 0.1 percentage point and 0.6 percentage point, respectively, and inflation is not expected to return to target until 2025 in most cases. Risks to the outlook are more balanced than they were six months ago, on account of the resolution of US debt ceiling tensions and Swiss and US authorities' having acted decisively to contain financial turbulence. The likelihood of a hard landing has receded, but the balance of risks to global growth remains tilted to the downside. China's property sector crisis could deepen, with global spillovers, particularly for commodity exporters. Elsewhere, near-term inflation expectations have risen and could contribute—along with tight labor markets—to core inflation pressures persisting and requiring higher policy rates than expected. More climate and geopolitical shocks could cause additional food and energy price spikes. Intensifying geoeconomic fragmentation could constrain the flow of commodities across markets, causing additional price volatility and complicating the green transition. Amid rising debt service costs, more than half of low-income developing countries are in or at high risk of debt distress. There is little margin for error on the policy front. Central banks need to restore price stability while using policy tools to relieve potential financial stress when needed. Effective monetary policy frameworks and communication are vital for anchoring expectations and minimizing the output costs of disinflation. Fiscal policymakers should rebuild budgetary room for manoeuvre and withdraw untargeted measures while protecting the vulnerable. Reforms to reduce structural impediments to growth—by, among other things, encouraging labor market participation—would smooth the decline of inflation to target and facilitate debt reduction. Faster and more efficient multilateral coordination is needed on debt resolution to avoid debt distress. Cooperation is needed as well to mitigate the effects of climate change and speed the green transition, including by ensuring steady cross-border flows of the necessary minerals.
(https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023)

INDIAN ECONOMIC OVERVIEW

INTRODUCTION

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

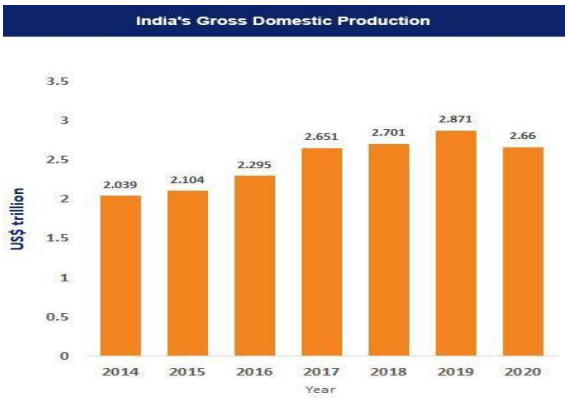
Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital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

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.
(Source: https://www.ibef.org/economy/indian-economy-overview)

MARKET SIZE

India’s nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 301.75 trillion (US$ 3.62 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q1 of 2023-24 was Rs. 70.67 trillion (US$ 848.92 billion), as against Rs. 65.42 trillion (US$ 785.85 billion) in 2022-23, estimating a growth of 8%. With 115 unicorns valued at more than US$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, ‘Panchamrit’. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) decreases to US$ 9.2 billion in Q1 of 2023-24 from US$ 17.9 billion in Q1 of 2022–2023.



Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India’s trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US$ 1 trillion by 2030.
(Source: https://www.ibef.org/economy/indiaeconomy- overview)

RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According

to World Bank, India must continue to priorities lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below

- As of August 2023, India's foreign exchange reserves stood at US$ 594.90 billion.
- In the first half of 2023-24, India saw a total of US$ 21 billion in PE-VC investments.
- Merchandise exports in September 2023 stood at US$ 34.47 billion, with total merchandise exports of US$ 211.40 billion during the period of April-September (2023-24).
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- PMI Services remained comfortably in the expansionary zone at 62.3 in the month of June 2023.
- In September 2023, the gross Goods and Services Tax (GST) revenue collection stood at Rs.1,62,712 crore (US$ 19.54 billion), of which CGST is Rs. 29,818 crore (US$ 3.58 billion), SGST is Rs. 37,657 crore (US$ 4.52 billion), IGST is Rs. 83,623 crore (US$ 10.04 billion).
- Between April 2000–June 2023, cumulative FDI equity inflows to India stood at US$ 937.58 billion.
- In August 2023, the overall IIP (Index of Industrial Production) stood at 145.1. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 111.9, 143.5 and 220.5, respectively, in August 2023.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.02% in September 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crore (US$ 2.67 billion) in India during the first week of July 2023.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

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

GOVERNMENT INITIATIVES

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

1. From April 1st, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
2. Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
3. In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
4. In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
5. In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling
6. Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP)
7. Mode at an estimated cost of Rs. 5,963 crore (US$ 747.64 million).

8. In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
9. India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
10. In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
11. In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
12. Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
13. In June 2022 Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
14. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.
15. The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
16. As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
17. The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
18. Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
19. In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of Atma Nirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US$ 401.49 billion) in the next five years.
20. In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US$ 3.21 billion).
21. In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US$ 334.60 million).
22. In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
23. In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
24. In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
25. Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
26. In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US$ 6.07 billion).
27. Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
28. In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.

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

    The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

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

ROAD AHEAD

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high- frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

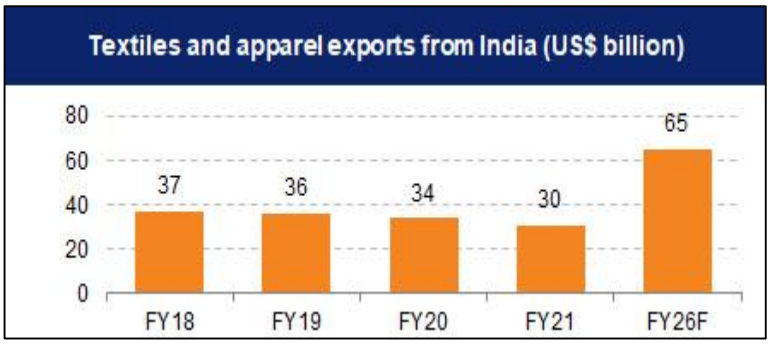
Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

INDIAN TEXTILE INDUSTRY

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US$ 190 billion by The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US$ 190 billion by 2025-26. India has a 4.6% share of the global trade in textiles and apparel. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US$ 65 billion by FY 2026.

The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.



The Manufacturing of Textiles Index for the month of August 2023 is 106.9 which has shown a growth of 1.6 % as compared to August 2022.

The Indian Technical Textile market has a huge potential of a 10% growth rate, increased penetration level of 9-10% and is the 5th largest technical textiles market in the world. India's sportech industry is estimated around US$ 1.17 million in 2022-23.

The Indian composites market is expected to reach an estimated value of US$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027.

India is the world's largest producer of cotton. In the first advances, the agriculture ministry projected cotton output for 2023-24 at 31.6 million bales. According to the Cotton Association of India (CAI), the total availability of cotton in the 2023-24 season has been pegged at 34.6 million bales, against 31.1 million bales of domestic demand, including 28 million bales for mills, 1.5 million for small-scale industries, and 1.6 million bales for non-mills. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. It is expected to surpass US$ 30 billion by 2027, with an estimated 4.6-4.9% share globally.

In 2022-23, the production of fibre in India stood at 2.15 million tonnes. While for yarn, the production stood at 5,185 million kgs during the same period. Natural fibres are regarded as the backbone of the Indian textile industry, which is expected to grow from US$ 138 billion to US$ 195 billion by 2025.

India's textile and apparel exports stood at US$ 20.01 billion in FY24 (April-October). Exports of textiles (RMG of all textiles, cotton yarns/fabs./made-ups/handloom products, man-made yarns/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US$ 12.47 billion in FY24 (April-November).

Exports for 247 technical textile items stood at Rs. 5,946 crore (US$ 715.48 million) between April-June (2023-24).

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

Source: https://www.ibef.org/industry/textiles

INDIAN ECOMMERCE INDUSTRY



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

India's consumer digital economy is expected to become a US$ 1 trillion market by 2030, growing from US$ 537.5 billion in 2020, driven by the strong adoption of online services such as e-commerce and edtech in the country. Indian e-commerce is expected to grow at a compound annual growth rate (CAGR) of 27% to reach US$ 163 billion by 2026.In FY23, the Gross Merchandise Value (GMV) of e-commerce reached US$ 60 billion, increasing 22% over the previous year. In FY22, the GMV of e-commerce stood at US$ 49 billion.

India's Business-to-Business (B2B) online marketplace would be a US$ 200 billion opportunity by 2030.With over 800 million users, India was the second-largest internet market in the world with 125.94 lakh crore UPI transactions in 2022.

According to a Deloitte India Report, as India is moving towards becoming the third-largest consumer market, the country's online retail market size is expected to reach US$ 325 billion by 2030, up from US$ 70 billion in 2022, largely due to the rapid expansion of e-commerce in tier-2 and tier-3 cities.

The e-commerce market's share of Tier-3 cities grew from 34.2% in 2021 to 41.5% in 2022, shows data. The B2C E-commerce is expected to grow steadily over the forecast period, recording a CAGR of 8.68% during 2023-27. According to a recent report by Redseer, India's e-B2B market is projected to reach a GMV of US$ 100 billion by 2030.

According to Grant Thornton, e-commerce in India is expected to be worth US$ 188 billion by 2025. With a turnover of US$ 50 billion in 2020, India became the eighth-largest market for e-commerce, trailing France, and a position ahead of Canada. Propelled by rising smartphone penetration, the launch of the 4G network and increasing consumer wealth, the Indian E-commerce market is expected to grow to US$ 200 billion by 2026 from US$ 38.5 billion in 2017.

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

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

India's e-commerce festive season sales are expected to clock in a gross merchandise value of US$ 10.88 billion in 2023, an increase of 18-20% compared to the previous year.
Source: https://www.ibef.org/industry/ecommerce

INDIAN RETAIL INDUSTRY

Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10% of the country's gross domestic product (GDP) and around eight % of the employment. India is the world's fifth-largest global destination in the retail space. India ranked 73 in the United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019. India is the world's fifth-largest global destination in the retail space and ranked 63 in the World Bank's Doing Business 2020. The retail sector in India accounts for over 10% of the country's GDP and around 8% of the workforce (35+ million). It is expected to create 25 million new jobs by 2030.

The sizeable middle class and nearly unexplored retail market in India are the main enticing factors for international retail behemoths seeking to move into newer markets, which will help the Indian retail business grow more quickly. The urban Indian consumer's purchasing power is increasing, and branded goods in categories like apparel, cosmetics, footwear, watches, beverages, food, and even jewellery are gradually evolving into business and leisure that are well-liked by the urban Indian consumer. The retail sector in India is expected to reach a whopping US$ 2 trillion in value by 2032, according to a recent analysis by the Boston Consulting Group (BCG).

India is the world's fifth-largest global destination in the retail space. In the FDI Confidence Index, India ranked 17 (after US, Canada, Germany, United Kingdom, China, Japan, France, Australia, Switzerland, and Italy).

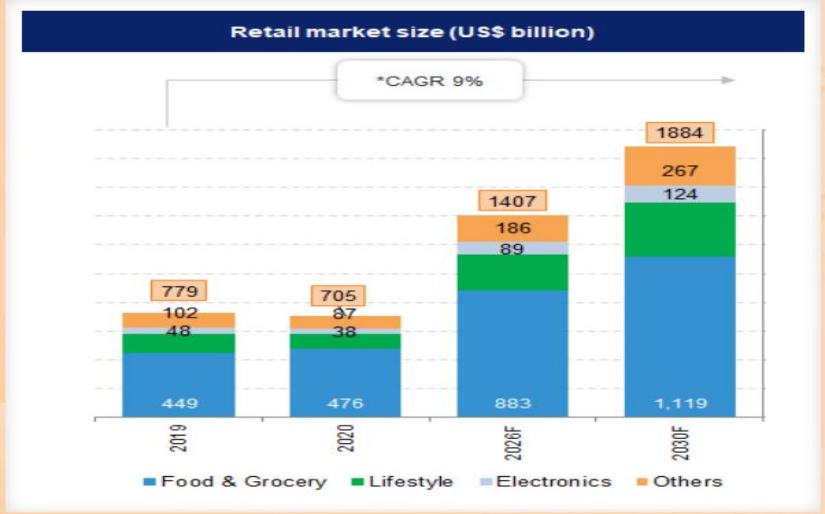
India is one of the most promising and developing marketplaces in the world. There is a great deal of desire among multinational corporations to take advantage of the consumer base in India and to enter the market first. Nearly 60 shopping malls encompassing a total retail space of 23.25 million sq. ft are expected to become operational during 2023-25.

India ranks among the best countries to invest in Retail space. Factors that make India so attractive include the second largest population in the world, a middle-income class of ~158 households, increasing urbanization, rising household incomes, connected rural consumers, and increasing consumer spending.

As of 2021, there were 1.2 million daily e-commerce transactions. Online shoppers in India are expected to reach ~500 million in 2030 from +150 million in 2020. The E-Commerce market is expected to touch US$ 350 billion in GMV by 2030.

India's retail sector was experiencing exponential growth with retail development taking place not just in major cities and metros, but also in small cities. Healthy economic growth, changing demographic profile, increasing disposable income, urbanisation, and changing consumer tastes and preferences have been some of the factors driving growth in the organised retail market in India.

To improve the business climate and make it simpler for foreign companies to register fully owned subsidiaries in India, the Indian government has implemented a number of rules, regulations, and policies.



As per Kearney Research, India's retail industry is projected to grow at 9% over 2019-2030, from US$ 779 billion in 2019 to US$ 1,407 billion by 2026 and more than US$ 1.8 trillion by 2030. Revenue of India's offline retailers, also known as brick and mortar (B&M) retailers, is expected to increase by Rs. 10,000-12,000 crore (US$ 1.39-2.77 billion) in FY20. India's direct selling industry is expected to be valued at US$ 2.51 billion (Rs. 19,000 crore) by the end of 2022. E-Retail has been a boon during the pandemic and according to a report by Bain & Company in association with Flipkart 'How India Shops Online 2021' the e-retail market is expected to grow to US$ 120-140 billion by FY26, increasing at approximately 25-30% p.a. over the next 5 years. Despite unprecedented challenges, the India consumption story is still robust. Driven by affluence, accessibility, awareness and attitude, household consumption stood at Rs. 130–140 trillion (US$ 1.63-1.75 trillion) in 2021.

India has the third-highest number of e-retail shoppers (only behind China, the US). The new-age logistics players are expected to deliver 2.5 billion Direct-to-Consumer (D2C) shipments by 2030. Online used car transaction penetration is expected to grow by 9x in the next 10 years.

According to recent industry reports, the e-commerce industry witnessed a phenomenal 36.8% YoY growth in terms of order volumes. As consumers prefer to shop online throughout the year, this fast-changing consumer preference towards online shopping reveals the mature status acquired by e-commerce brands in India.

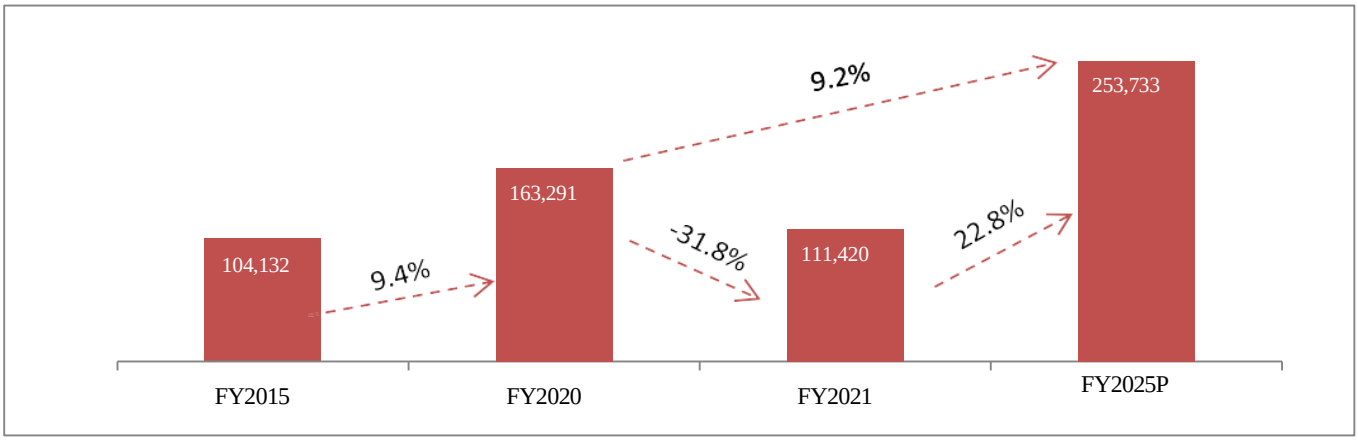
As of 2021, there were 1.2 million daily e-commerce transactions. The total value of digital transactions stood at US$300 billion in 2021 and is projected to reach US$ 1 trillion by 2026. Online shoppers in India are expected to reach ~500 million in 2030 from +150 million in 2020.

India's digital economy is expected to touch US$ 800 billion by 2030 and the E-Commerce market is expected to touch US$350 billion in GMV by 2030.
Source: https://www.ibef.org/industry/retail-india

WOMEN APPAREL MARKET IN INDIA

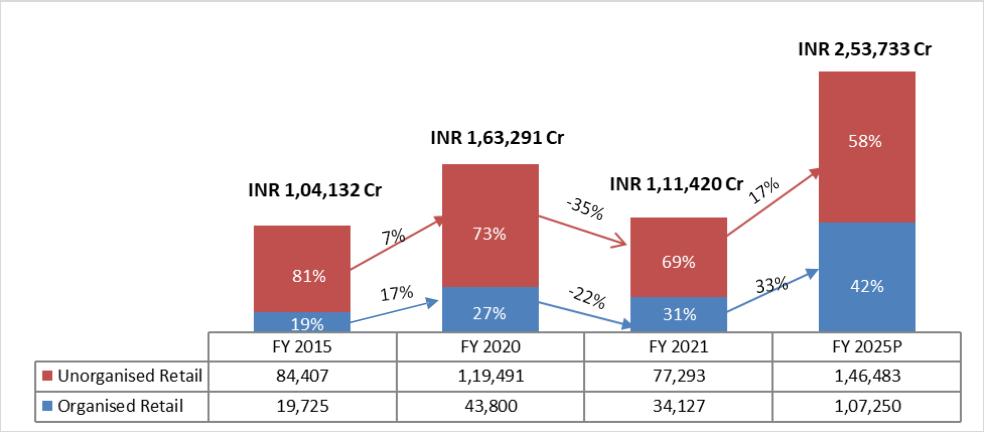
Women apparel market in India is estimated at ~36% of the total apparel market of INR 4,47,666 Cr (US$ 59.7 Bn), at INR 1,63,291 Cr (~US$ 21.8 Bn).

Exhibit: Growth Projections of Women Apparel Market (in INR Cr) – FY 2015, FY 2020, FY 2021, FY 2025P



The women apparel market is expected to grow from INR 1,63,291 Cr (US$ 21.8 Bn) in FY 2020 to INR 2,53,733 Cr (US$ 33.8 Bn) by the end of FY 2025. It is expected to be the fastest growing segment in the apparel market in India,with a forecasted growth rate of 9.2% between FY 2020 and FY 2025. This market is projected to grow owing to factors like sustained growth of Indian daily wear; casualization of fashion leading to growth of new categories like fusion wear, denims, loungewear; rising share of organized retail; design innovations and changing consumer demographics.

Exhibit: Share of Organized and Unorganized Retail as a percentage of Women Apparel Market (in INRCr) – FY 2015, 2020, 2021, 2025P



	FY 2015	FY 2020	FY 2021	FY 2025P
Unorganised Retail	84,407	1,19,491	77,293	1,46,483
Organised Retail	19,725	43,800	34,127	1,07,250

Historically, consumption of women's apparel was centred around the informal market through standalone boutiques selling unbranded products and the sale of unstitched fabrics, allowing women to use tailors to create their desired garments through made-to-measure services. The share of organised retail in women apparel which was 19% in FY 2015 increased to 27% in FY 2020 and is expected to reach 42% by FY 2025. Emergence of multi-channel organized retail (EBOs, LFS/ MBO, Value Retail, E-commerce) and scale of organized players that have now emerged as Pan India Players (Biba, Fabindia, Reliance Trends, Trent Westside, ABFRL) have managed to address the consumer demands better over unorganized segment enabling this transition in favour of organized retail in Women Apparel sector.

Segmentation of Women Apparel Market

Women Indian wear is the dominant segment within women apparel market in India and the preferred form of apparel for approximately 71% of the market (FY 2020). Despite having a high current share, the share of Indian wear in the overall Women apparel segment will continue to be resilient in future. The high share of Indian wear in the total apparel is a unique feature of apparel market in India. In any other major apparel markets (China, Japan, Southeast Asia etc.) nearly the entire apparel category is made up of western wear. Therefore, Indian fashion is influenced by Indian ethos and values which impact the apparel's cut, shape, silhouette and nature of raw material used (not restricted to power loom but also extends to handlooms fabrics). In this context, the Indian women apparel industry's categorization into Indian wear and western wear is significant given the Indian wear categoy's size and its unique existence compared to other major markets

Exhibit: Segment Contribution: Women Apparel market – FY 2015, 2020, 2021 & 2025P (in INR Cr)

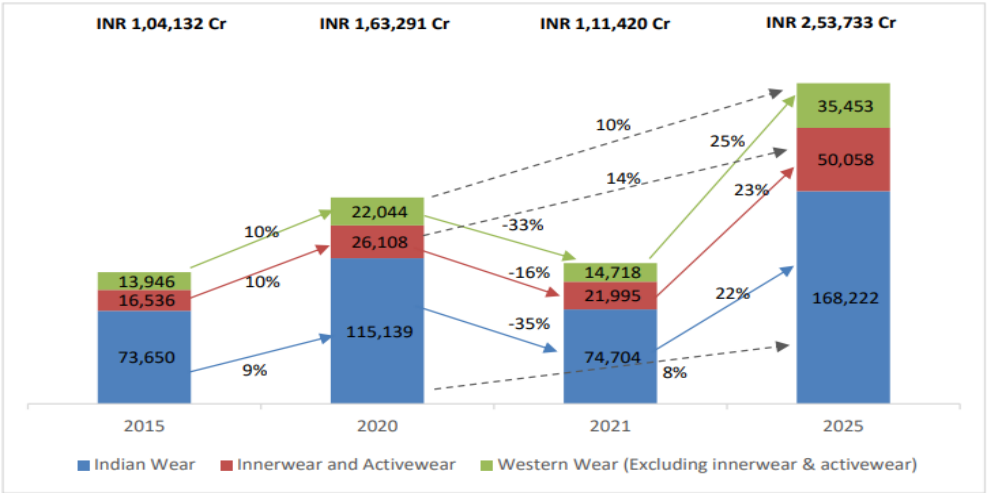
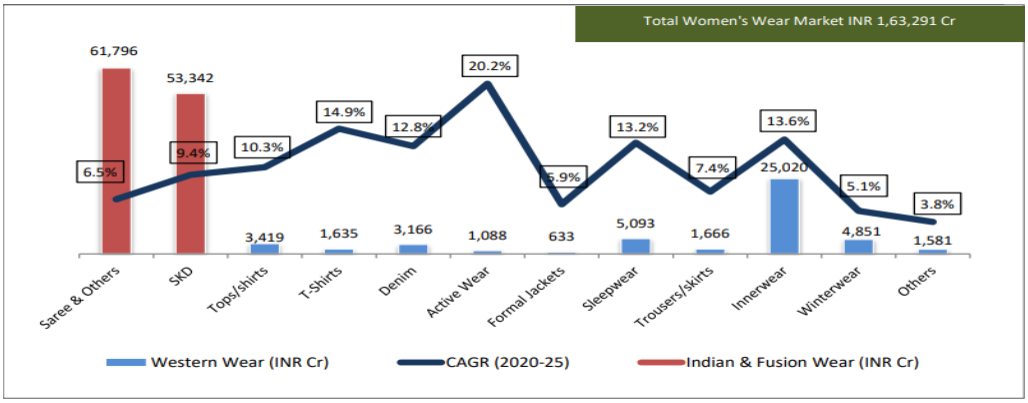


Exhibit: Segmentation based on Product type of Women wear market FY 2020 (in INR Cr) and CAGR 2020-2025



T-Shirts, Denim, Activewear, Sleepwear, and Tops/Shirts are among the western wear categories in Women apparel segment. While denim brands initially focused on the men's segment, they started catering to women consumers as well as they witnessed change in the demand and preferences of women. In Women Indian wear segment, SKD emerged as a fast-growing category with a CAGR of 9.4% from FY 2020-25.

Women Apparel Brands across Price Segments

Women apparel market is broadly divided into various price segments like Mass-mid, Mid, Mid- Premium, Premium, and further into Luxury in case of Occasion wear and Western wear.

Exhibit: Apparel Brands across Categories & Price segments

Indian & Fusion Apparel- Daily Wear	Mass - Mid	Mid	Mid-Premium	Premium
Retail led	Max Fashion, Rangriti,	Soch, Aurelia	Biba, W, Fabindia, Global Desi, Aarke, Meena Bazaar	Ritu Kumar, Satya Paul
Private labels of LFS	Infuse (SS), Reliance Trends, Stop (SS), Imara (Lifestyle)	Haute Curry (SS), Kashish (SS), Utsa (Westside)	Zuba (Westside)	-
Private labels of E-commerce marketplaces/ Vertical Specialists	Anouk (Mynta), Here & Now (Myntra), Myx (Amazon)	Sztori, Moda Rapido	-	-
Online first brands	JaipurKurti	Bunaai , JaipurKurti	Jaypore, Indian Ethnic Co, Okhai, Idaho, Tjori	-

Indian & Fusion Apparel- Occasion Wear	Mass - Mid	Mid	Mid-Premium	Premium	Luxury
Retail led	Max Fashion	Rangriti, Aurelia	W, Biba, Fabindia, Global Desi, Aarke, Soch	Biba, Biba X Rohit Bal, Mohey Meena Bazaar, Ritu Kumar, Satya Paul	Sabyasachi, Manish Malhotra
Private labels of LFS	Reliance Trends, Stop (SS), Melange (Lifestyle)	Haute Curry (SS), Kashish (ss), Vark (Westside), Imara (Lifestyle)	-	-	-
Private labels of E- commerce marketplaces	Anouk (Mynta)	Moda Rapid, Sztori	-	-	-
Online first brands	JaipurKurti	The Indian Ethnic Co, Idaho	Bunaai, Aachho,	Jaypore, Okhai, Tjori	-

Impact of COVID-19

Apparel and Lifestyle sector has been one of the hardest hit sectors during the COVID induced lockdown since March of 2020 that impacted whole of FY 2021 in form of nationwide or regional lockdowns. First two months of FY 2022 also saw the second wave of COVID that caused unfortunate damage to life & businesses leading to hardships on many fronts. However, June 2021 onwards there was recovery in business and revival of consumer sentiment. Consumers started moving out of home for leisure and work, which led to an increase in merchandise shopping. Diwali 2021 saw consumer spending worth INR 1.25 lakh Crores, which was the highest in a decade for the same period.

Brands and consumers alike have adapted to the changes due to COVID, while business cycles come back to normalcy. E-commerce saw a major boost with consumers taking it as a means of ordering merchandise both across need and aspiration-based categories. COVID-19 gave impetus to the growth of e-commerce that is expected to become a significant growth driver for the organized market.

The women apparel industry saw a decrease in formal wear due to COVID-19, but also witnessed increase sales of casual wear driven by work from home and awareness towards wellness due to the pandemic, and hence active wear gained traction during this period. The sleepwear, loungewear and athleisure categories saw rise in sales, along with fusion wear that works as both formal/ smart casual and comfort wear. Marks & Spencer's and Shoppers Stop added a separate section offering loungewear. Online majors like Amazon India and Myntra expanded offerings for comfort-wear. Indian Wear brand Biba launched its range of sleepwear and loungewear to cater to the consumers seeking comfort wear mixed with smart casuals, along with more offerings in comfortable fusion wear such as kurtis, palazzos, pants etc.

Women Indian Wear Market

Women' Indian wear accounted for approximately 71% or INR 1,15,139 Cr (US$ 15.3 Bn) (FY 2020) of the total Women Apparel Market, implying women Indian wear is the mainstay for women apparel market in India. The balance 29% or INR 48,152 Cr (US$ 6.4 Bn) was accounted for by western wear.

In this context, the Indian women apparel industry's categorization into Indian wear and western wear is significant given the Indian wear category's size and its unique existence compared to other major markets. The broad categorization of Indian and western comprise many sub-categories. The women Indian wear category can broadly be classified into Saree & others (includes Indian dresses, Lehenga etc.) and SKD (including Sets, Mix & Match, Dupattas. Stoles etc.). It also comprises of fusion wear, which is an amalgamation of other cultural influences on Indian wear.

Exhibit: Women Apparel Segmentation – FY 2020 (in INR Cr)

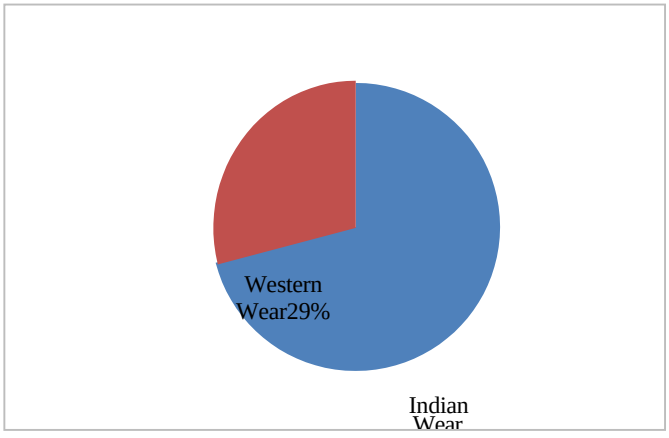


Exhibit : Women Indian Wear Market (in INR Cr) and share of Organised & Unorganised – FY 2015, FY2020, FY 2021 & FY 2025P

The Women Indian wear market is expected to increase from INR 1,15,139 Cr in FY 2020 to INR 1,68,222 Cr by FY 2025, growing at a CAGR of 8%. Sarees & Others category forms almost 54% of the Indian wear market for women,the rest of the market of 46% is contributed by SKDs (salwar, kameez, dupatta) etc

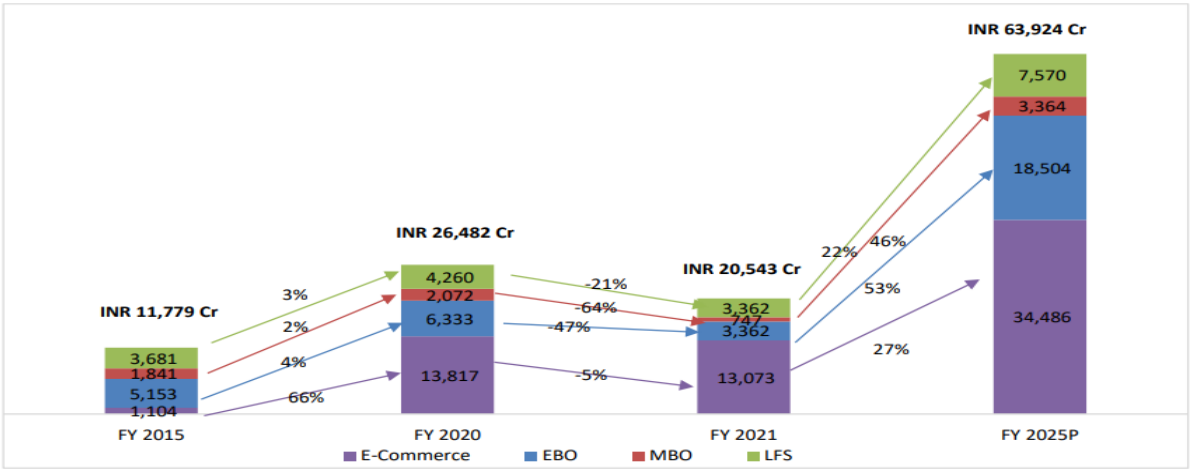


*Exhibit: Split of Women Indian wear Market across **Organised** Formats- FY 2015, FY 2020, FY 2021 & FY 2025P (in INR Cr)*

The organised Indian women apparel market in India is estimated to grow from INR 26,482 Cr in FY 2020 to INR 63,924 Cr by the end of FY 2025 at a CAGR of 19%. Online penetration within the organised women Indian wear market was approximately 52% as of financial year 2020, which has grown at a rate of 66% over the past five years.

Exhibit: Representative players - EBOs, MBOS, LFS and Online

EBO	MBO	LFS	E-commerce/Online
Biba	Vama	Reliance Trends	Amazon
Aurelia	Chunmun	Westside	Flipkart
W	Kapsons	Lifestyle	Myntra
Fabindia	Lulu	Vishal	Nykaa Fashion
JaipurKurti	-	-	JaipurKurti

Product segmentation of Women Indian Wear Market

Women Indian wear market is further segmented into key categories- Saree & Others (Lehenga, Indian dresses/gowns etc.) and SKD (Sets, Mix & Match & Others (Dupattas/Stoles etc.). SKD category is expected to grow at a CAGR of 9.4% from FY 2020-25, while Saree & Others category will grow at a comparatively lower rate of 6.5% for the same period.

Within SKD, Mix & Match category will lead the growth with a CAGR of 13% and Sets are expected to grow at CAGR of 7.6% from FY 2020-25. Within Saree & Others, the Others category of Lehenga set, Indian dresses/gowns is expected to grow at a CAGR of 8.1% for FY 2020-25 while Saree will grow at a CAGR of 5.9%. In particular, the women's apparel market in India has evolved from traditional apparel such as sarees to a two-piece market, dominated by Salwar Kameez Dupattas (SKDs) and Mix & Match wear, and was estimated at INR 53,342 Cr as of FY 2020 and is expected to grow to INR 83,746 Crs by FY 2025.

Exhibit: Women Indian Wear Market (in INR Cr) – FY 2015, FY 2020, FY 2021 & FY 2025

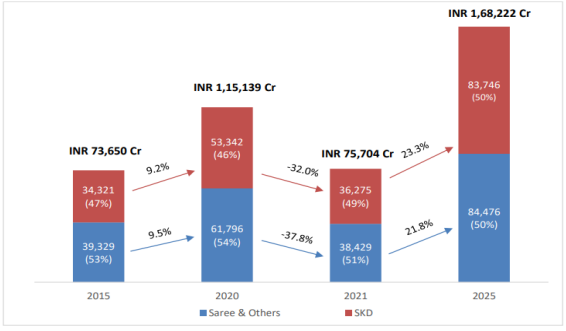


Exhibit : Further split of Saree & Others and SKD category – FY 2015, FY 2020 & FY 2025 –

Market size in INR Cr

Saree & Others						
	FY 2015	**FY 2020**	**FY 2021**	**FY 2025**	**CAGR FY 2015-20**	**CAGR FY 2020-25**
Saree, Blouse, Petticoat	30,677	46,347	28,822	61,667	*8.6%*	*5.9%*
Others- Lehenga set, Indian dresses/ gowns etc.	8,652	15,449	9,607	22,808	*12.3%*	*8.1%*
Total Saree & Others	**39,329**	**61,796**	**38,429**	**84,476**	***9.5%***	***6.5%***

SKD						
	FY 2015	**FY 2020**	**FY 2021**	**FY 2025**	**CAGR FY 2015-20**	**CAGR FY 2020-25**
Sets	22,995	32,005	21,039	46,061	*6.8%*	*7.6%*
Mix & Match	10,296	18,670	13,603	34,336	*12.6%*	*13.0%*
Others- Dupattas/ Stoles etc	1,201	2,667	1,632	3,350	*17.3%*	*4.7%*
Total SKD	**34,321**	**53,342**	**36,275**	**83,746**	***9.2%***	***9.4%***

The women's apparel market in India has evolved from traditional apparel such as sarees to a two- piece market, dominated by 'Salwar Kameez Dupattas' and Mix & Match wear, and was estimated at US$ 21.8 Bn, or 36%, of the total apparel market in India as of financial year 2020. This transition is led by Indian EBO led brands who are creating trends and capturing consumer mind share. This is making them stay ahead on fashion curve and emerge as fashion forward category leaders that can both charge premium and lead the mid to premium price bands. These EBO led brands comprise home grown Indian, fusion brands like Biba, W & Fabindia. Their current size now signifies brand stickiness and entry barriers for others. New entrants in this space are increasingly referenced by the consumers with these brands (Viz. Biba Size, Fabindia fabric, W's print, JaipurKurti). Value segment brands also refer to them for trends and look up to them as fashion leaders. In this backdrop, branded market of Women Indian Wear has evolved in the past decade.

Indian wear category offers a unique blend of comfort and fashion to the consumer making it the preferred apparel for most occasions. The category association revolves around comfort, as well as relevance of the occasion. Whilst the consumers in Tier I cities, compared to the metro-centric consumers, tended to be strongly governed by traditional usage of the saree, the Indian wear category is increasingly becoming the category sought for as it offers both conformity and style. Indian women wear in the form of Kurtis, Mix & Match, Saree, Indian dresses etc has found a universal appeal across states as these categories are being worn by women across the country. With increased online presence and social media marketing, consumers across have become aware of, and have adopted various Indian & Fusion wear apparel like Kurtis, sets, palazzos, dhoti, Indian jackets, saree etc.

Indian apparel fashion is uniquely an India focused opportunity and one that provides a natural and sustainable advantage to homegrown players to seize it. This advantage is reflected in structure of the Indian wear category that comprises of home-grown brands in leading positions
Source : https://shorturl.at/jkHM4

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 15 of this Draft Letter of Offer for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 19 and 175 of this Draft Letter of Offer, respectively, for a discussion and analysis of factors that may affect our business, financial condition, results of operations or cash flows. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular "Fiscal" are to the 12 months ended March 31 of that year. All financial information included herein is given on a consolidated basis unless stated otherwise. Please read "Presentation of Financial and Other Information" on page 13 of this Draft Letter of Offer before reading this section.

Unless the context otherwise requires, a reference to the "Company" refers to "Nandani Creation Limited" and a reference to "we", "us" and "our" refers to our Company and our Subsidiaries, Associate and Partnership firms where we hold majority of capital contribution on consolidated basis

OVERVIEW

At Nandani Creation Ltd. we weave together the best of both ethnic and modern worlds, creating a vibrant tapestry of traditional and contemporary styles since 2012. We design, manufacture, source, promote and sell a wide portfolio of Indian wear for women through multiple brands, namely our flagship brand, "Jaipur Kurti", our Premium wear Brand "Amaiva- By Jaipur Kurti", "Jaipur Kurti Luxe" and "Desi Fusion". Our products are specifically tailored for the Indian Women consumer and our range of products offer distinct price points for our consumers. Our brands are designed to cater woman's Indian wear needs, ranging from casual wear, occasion wear to office wear. We offer our customers well-designed and high-quality products. Jaipur Kurti was created to explore the varied dynamics of Indian ethnic wear, presenting this heritage to modern women at its widest range. We are specializing in traditional designs, culturally rich styles and ethnic wear for women.

We believe that conducting businesses in a fair, transparent & ethical manner is pivotal to building strong relationships. We believe in achieving excellence in everything we do. We make sure each garment, we offer works as our Brand Ambassador.

Our products are available through a pan-India multichannel sales network that we have built over the years comprising of our exclusive brand outlets ("EBOs"), our own D2C website www.jaipurkurti.com and our presence on all the prominent E-Commerce platforms such as Myntra, Nykaa Fashion, Ajio, Tata Cliq, Amazon, Flipkart etc., we have also recently started building our multi-brand outlets ("MBOs") network by opening SIS Outlets in various cities of Uttar Pradesh such as Varanasi, Lucknow, Haridwar, Gorakhpur etc.

As of January 2024, we had 12 EBOs, comprising 08 Company Owned and Company Operated (COCO) stores and 04 Franchisee Owned and Franchisee Operated (FOFO) stores across 7 states in India. Our well-established EBO network is not only well diversified across major regions of India but also offers a superior shopping experience for customers. Our EBOs are located nationwide across high streets, malls and residential market areas in major cities to cater our consumer needs. The opening of our Retail Stores in various parts of India aims to enhance brand engagement and create an immersive shopping experience. We also believe expanding of our retail touchpoints will mark an important milestone in our journey and will help in boosting our efforts towards enhancing our retail footprint, expanding the reach of our brands, and making relentless progress on our own proprietary platform's D2C journey.

Our Company's proficiency lies in understanding the specific requirement of our customers and based on which we design, procure fabrics, use color combinations, manufacture the garment, make samples to understand the taste, preferences and trends all with an in-house design team at our manufacturing unit situated at G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur – 302006, Rajasthan built around 18000 sq.ft with a team of over 130 + employees. We have dedicated teams to design and supervise the entire manufacturing process including selection of interlinings produced till dispatch of the goods to customers place, to assure product quality and customer satisfaction which remains our top priority. The entire manufacturing, warehousing and fulfillment is housed under one roof leading to enable seamless operations.

We are led by our Promoter, Chairman and Managing Director, Mr. Anuj Mundhra, who have extensive experience in the industry in which we operate and have been closely involved and actively participated in our business from inception. Our Promoter continue to remain actively involved in our operations and continue to bring his vision, business acumen and

leadership to our Company, which has been instrumental in sustaining our business operations and growth. We also have qualified and experienced Key Managerial Personnel who have demonstrated their ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships.

With the passion of our promoters, dedication of our team, development of our brand, customer loyalty, growing trend in branded goods and continued government support we aim to expand our operations on pan India basis and become a popular Indian wear brand among the masses.

OUR CATEGORIES

ETHNIC WEAR:

Ethnic wear is the type of clothing that defines one's ethnicity. Though the term was initially used to describe "traditional" dress worn by people belonging to a specific ethnic group, similar to folk costume of a particular nation, today it may refer to fashionable contemporary clothing as well.

FUSION WEAR:

Fusion wear combines elements from different styles, creating a blend of traditional and contemporary clothing. It often involves mixing traditional ethnic garments with modern silhouettes or pairing ethnic-inspired accessories with western attire, allowing for a unique and eclectic fashion statement.

BOTTOM WEAR:

Bottom wear refers to the lower half of an outfit and includes various types of pants, trousers, skirts, shorts and other garments worn below the waist. These items come in diverse styles, lengths, and fabrics to suit different occasions and personal preferences

LOUNGE WAER:

Lounge wears consists of comfortable and relaxed clothing designed for leisure and casual activities, often worn at home.

WINTER WEAR:

Winter wear encompasses clothing specifically designed to provide warmth and protection during the colder temperatures.

We currently have all the above-mentioned categories with different products, designs and catalogues.

OUR PRODUCTS

Kurtis: A kurti is a loose shirt falling either just above or somewhere below the knees of the wearer. They are traditionally worn with loose-fitting salwars, semi-tight (loose from the waist to the knees, and tight from the calves to the ankles) churidars, and now also worn with jeans. Kurtis are worn both as casual everyday wear and as formal dress.

Palazzo: It is wide form of trousers worn by women. It is generally paired with Kurtis and comes in different type of materials.

Patiala Salwar Suits: A Patiala salwar is a type of female trousers which has its roots in Patiala Cityin the Northern region of Punjab state. The reason the patiala dress is preferred by most of the women is for its comfort and durability. Since the patiala salwar is very loose and stitched with pleats it is a very comfortable outfit to wear.

Dupattas: A dupatta is a long, multi-purpose scarf that is essential to many women's suits andmatches the woman's garments. The dupatta is most commonly used with salwar kameez and the kurti. The dupatta has long been a symbol of modesty for dresses.

Kurta sets: A kurti is a loose shirt falling either just above or somewhere below the knees of the wearer. Pant is an outer garment covering each leg separately and usually extending from the waist to the ankle.

Top: A top is an item of clothing that covers at least the chest, but which usually covers most of the upper human body between the neck and the waistline. The bottom of tops can be as short as mid- torso, or as long as mid-thigh.

Co-ord Set: A Co-ord set is a set of two pieces of clothing - top and bottom wear design and paired in such a manner that they are made from the same or similar material and fabric to give a uniform look. The Co-ord set for women are designed in a variety of styles to create a very fashionable look.

Suit Sets: A kurti is a loose shirt falling either just above or somewhere below the knees of the wearer. Pant is an outer garment covering each leg separately and usually extending from the waist to the ankle. Both are paired with Dupatta to give it a ethnic and contemporary look.

Skirts: Skirts are garments that covers the lower part of the body and are typically worn from the waist down by the women They come in various styles, lengths and fabrics offering versatile options for different occasions catering to diverse fashion preferences.

Jump suits: Jump suits are one –piece garments that combines a top and pants, creating a continuous outfit worn by women. They come in various styles from causal to formal, and are characterized by their simplicity and ease of wear. They are popular for their versatility and can be a stylish choice for different occasions.

Shirts: shirts come in a variety of styles, including button-down shirts, blouses, t-shirts, and tunics worn by women. These garments offer diverse designs, fabrics, and sleeve lengths, catering to both formal and casual settings. Women's shirts are versatile and can be paired with different bottom wear to create a range of stylish outfits.

Jackets: Jackets are outerwear garments designed to provide warmth and protection. They come in various styles, such as bomber jackets, leather jackets, denim jackets, and puffer jackets. Jackets are versatile and can be worn casually or as part of a more formal ensemble, adding both functionality and style to an outfit.

Pants: Pants, also known as trousers, are garments that cover the lower part of the body of the women from the waist to the ankles or beyond. They come in different styles, including jeans, dress pants, leggings, and wide-leg trousers, providing options for various occasions and fashion preferences. Pants are a fundamental element of most wardrobes, offering comfort and versatility in everyday wear.

Dresses: A dress is a one-piece garment that covers the upper and lower body of the women. Dresses come in a wide range of styles, lengths, and designs, catering to various occasions and fashion preferences. They can be casual or formal, and the diverse options include maxi dresses, cocktail dresses, sundresses, and evening gowns, among others. Dresses are often chosen for their simplicity and ease of wear.

OUR PRODUCTS

Kurtis	
	➢ Straight Kurta ➢ Aline Kurta ➢ Angrakha Kurta ➢ Short Kurta ➢ Empire Kurta ➢ Kalidar Kurta ➢ Gathered Kurta Layered Kurta ➢ Kaftan Style Kurta ➢ Pakistani Kurta ➢ Asymmetric kurta ➢ Shirt kurta ➢ Pathani kurta ➢ High-low kurta ➢ Draped kurta ➢ Pintuck kurta ➢ Strappy kurta ➢ Sleeveless Kurta

Pants	
	➢ Regular Pants ➢ Bell Bottom Style ➢ Side Lace ➢ Botton Fold ➢ Loop Button Pant ➢ Lycra pant ➢ Coduroy Pant
Suit Sets	
	➢ Straight Suit Set ➢ Aline Suit Set ➢ Kalidar Suit Set ➢ Pakistani Suit Set ➢ Salwaar Suit Set ➢ Palazzo Suit Set ➢ Anarkali Suit Set ➢ Princess Cut Suit Set ➢ Angrakha Suit Set ➢ Fusion Style Suit Set ➢ Pant Suit Set ➢ Sharara Suit Set ➢ Chudidar Suit Set ➢ Gharara Suit Set ➢ Skirt Suit Set ➢ Tiered Suit Set ➢ Sleeveless Suit Set
Ethnic Top:	
	➢ Strappy Top ➢ Mandarin Collar Top ➢ Overlap Top ➢ Gathered Top ➢ Boxy Top ➢ Empire Top ➢ Pleated Top ➢ Ruffle Top ➢ Lace Top ➢ Sleeveless Top ➢ Puff Sleeve Top ➢ Loose Fit Top

Lounge wear:	
	➢ Short kurta With Pant ➢ Shirt Style With Pant ➢ Kaftan Style With Pant ➢ Top style With Pant ➢ Comfy Shirt With Shorts ➢ V-Neck ➢ Sweetheart Neck ➢ Collar Neck ➢ Round with Notch Neck ➢ Boat Neck ➢ ½ Neck ➢ ¾ Neck ➢ Sleeveless ➢ Full Sleeves
Palazzo	
	➢ Solid Palazzo ➢ Schiffli Palazzo ➢ Printed Palazzo
Shirt	
	➢ Regular Shirt ➢ Boxy shirt ➢ Pleated Shirt ➢ Laced shirt ➢ Loose Fit shirt
Kurta Set	
	➢ Straight Kurta Set ➢ Inverted V Empire Kurta Set ➢ Flared Kurta Set ➢ Gathered Kurta Set ➢ Fusion Kurta Set ➢ Pakistani Kurta Set ➢ Loose Fit Kurta Set ➢ Trendy Kurta Set ➢ Pathani Kurta Set

Skirt	
	➢ Gathered Skirt ➢ Kalidaar Skirt ➢ Tiered Skirt ➢ Bias Cut Skirt ➢ Divider Skirt ➢ Panel Printed Skirt
Dress	
	➢ Strappy dress ➢ Tiered Dress ➢ Ethnic Dress ➢ Formal Dress ➢ Straight Dress ➢ Flared Dress ➢ Smoked Dress
Jumpsuit	
	➢ Strappy Jumpsuit ➢ Formal Jumpsuit ➢ Embroidered Jumpsuit ➢ Ethnic Print Jumpsuit
Co-ord Set	
	➢ Layered Co-ord Set ➢ Shirt Style Co-ord Set ➢ Loose kurta Co-ord Set ➢ Kaftan Style Co-ord Set ➢ Formal Jacket Style Co-ord Set ➢ Embroidered Co-ord Set ➢ Co-ord Set With Belt

Jacket	
	➢ Casual Jacket ➢ Winter Jacket ➢ Ethnic Jacket ➢ Pintuck Jacket ➢ Puffer Jacket

The table below sets forth certain key operational metrics for the periods indicated on consolidated basis*

Particulars	Nine months ended on December 31, 2023		FY 2022-2023		FY 2021-2022		FY 2020-2021	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	2551.92	98.53%	4,888.19	98.68%	6,267.93	98.92%	4,774.89	99.05%
Other Income	37.95	1.47%	65.53	1.32%	68.13	1.08%	45.99	0.95%
Total Revenue	**2,589.87**	**100.00%**	**4,953.72**	**100.00%**	**6,336.06**	**100.00%**	**4,820.88**	**100.00%**
Total Expenditures (Excl. Interest & Depreciation)	2,571.57	99.29%	4,499.46	90.83%	5,979.61	94.37%	4,311.13	89.43%
Profit before Interest, Depreciation and Tax) (PBIDT)	18.30	0.71%	454.26	9.17%	356.44	5.63%	509.75	10.57%
Less: Exceptional Items	-	-	-	-	-	-	5.00	-
Less: Depreciation	129.77	5.01%	183.74	3.71%	132.76	2.10%	111.46	2.31%
Less: Interest	187.27	7.23%	256.18	5.17%	155.14	2.45%	175.86	3.65%
Profit/(Loss) before Tax	-298.74	-11.53%	14.34	0.29%	68.54	1.08%	217.43	4.51%
Less: Tax Expenses (including Deferred Tax)	-79.22	-3.06%	-3.36	-0.07%	-18.77	-0.30%	56.90	1.18%
Profit/(Loss) after Tax	-219.52	-8.48%	10.98	0.22%	49.78	0.79%	160.53	3.33%

**As certified by Statutory Auditors vide their certificate dated March 21, 2024, bearing UDIN: 24447352BKEZWW6684.*

RAW MATERIALS

Our Company procures raw materials such as running printed fabric and/or running dyed fabric from our subsidiary company Desi Fusion India Private Limited or third parties. At times, we also supply gray cloth and get the running fabric manufactured on jobwork basis. The raw material is procured depending on the design of the products.



(Running Printed Fabric)



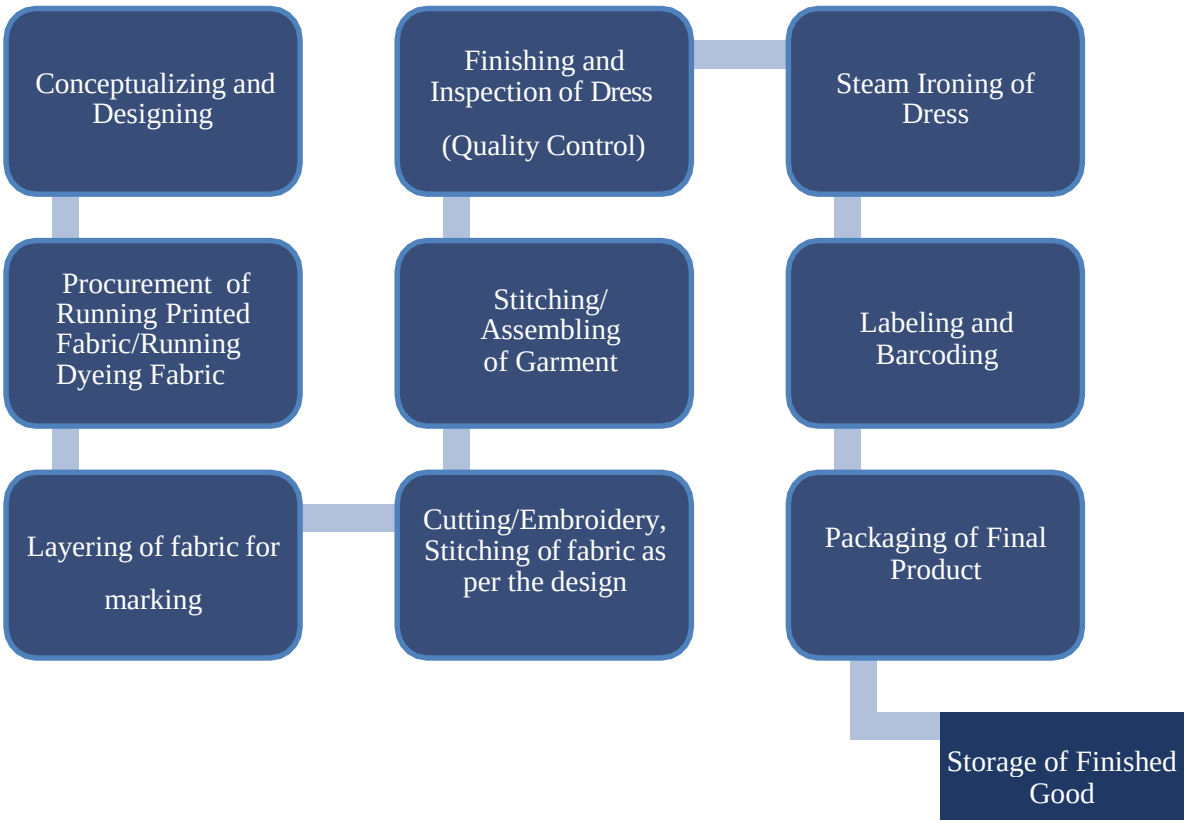
(Running Dye Fabric)

(Please note that Images are for only graphical representation)

OUR PRODUCTION PROCESS

We either manufacture on our own or get our products manufactured from third parties. In case of manufacturing from third parties, the entire process upto production of material is outsourced. We provide the parties with the designs and such parties take approval of samples from us before manufacturing a lot. After approval of sample, they manufacture and supply us in accordance with therequest and Purchase Indents raised by us.

Our production process is briefed as per the details mentioned below:



Conceptualizing and Designing:
Our Company has its own design studio and the team comprises of young, energetic and creative professionals who ensures that our products are in compliance with industry standards and the latest trend. We specialize in and design ethnic apparel as we believe that culture and tradition is mirror of our country.
Procurement of Running Printed Fabric and/or Running Dyeing Fabric:
The raw material required for manufacturing of product is running printed fabric and/or running dye fabric, depending upon design of the product. We procure raw material either directly from supplier or get it done on job work basis. Our major raw material requirement is met through supplies from our own subsidiary. In line with the manufacturing process laid down by us, initially a product sample is produced according to the specifications provided by our Company. This sample is then approved before going into further stage of production. All apparent and intricate corrections are made in the product sample so as to make it free from errors.
Layering of fabric for marking:
The initial process starts by layering the fabric and placing the design to be marked over piece from the garment fabric. The CAD Executives prepares a size and design on a standard paper to avoid the errors occurred while cutting the fabric. We are using the CAD's for size grading. Once the standard paper is ready the same is placed over the layered fabric to mark the design with marking pens and even chalks such that tailors much rely on this marking to do the job.
Cutting of fabric as per the design:
It is then cut into the pattern that will identify points in a garment. A Fabric Cutting Machine is used to cut materials. This machine helps in neat cutting with low, noise and high efficiency. It provides maximum productivity with minimal fatigue.
Sewing/Assembling of Garment:
The fabrics are now ready to be stitched. The Stitched parts of the fabric, such as sleeves, etc. are assembled together to give the final form to the clothing.
Finishing and Inspection of Dress (Quality Control):
Company attaches utmost importance to the quality of our final product. Hence it is ensured that each garment is individually checked and ensured that it is free from any defects. It is ensured that every piece which is manufactured is as per the required quality standards. Our quality assurance and control team is responsible for ensuring that all finished goods are free from defects and are manufactured as per the specified measurements. Any product having variation beyond acceptable limits is rejected. Finishing of products involves removal of loose and unwanted threads, proper and customized ironing. The quality assurance and control team carries out frequent checks on the process and product specifications. The finished products are stacked in cartons and are sent to the stockroom facility for labeling, packaging and insert cards.
Steam Ironing of Dress:
After inspection the garments are checked for loose threads, stains etc. Thereafter these garments are sent for ironing.
Labeling and Barcoding:
Labeling is done according to the brands of our products and as per the specifications provided by the merchandising team in our stockroom. Our Company differentiates the packaging of its products by inserting a bar code depicting the look of the products, price and the necessary details of the product. Care is taken to make the packaging attractive and it also protects the products from damage. The finished products are now ready for packaging.
Packaging of Final Product:
Post the labeling of the product are moved for final packaging. This step involves carefully wrapping of each apparel in protective packaging materials to safeguard it from damage during transportation and handling. Additionally, branding elements such as labels, tags, and stickers are added to enhance the presentation and convey important product information to customers.
Storage of Finished Goods:
Once packaging of final products is done, the goods are stored in the company's dedicated storage area . While storing the product our dedicated in house team segregates the products based on predefined characteristics such as design , size , type, etc. for easy inventory management and distribution.

Product Distribution:
The finished products are then further distributed to the customers and e-commerce platforms. The work is given to our dispatch team, to ensure that products flow directly to the customers in a timely and cost-efficient manner. The responsibility of the dispatch team includes inventory management and supply chain management. We use third party carrier services to deliver our products to customers.

OUR COMPETITIVE STRENGTHS



Experienced Promoters and Team

Nandani Creation Limited was founded by our promoters Mr. Anuj Mundhra and Mrs. Vandana Mundhra who comes with more than 20 years of experience in the fashion industry, excels in design development and production, possessing a keen eye for fashion trends and strong management skills. Mr & Mrs. Mundhra, brings extensive knowledge of the textile industry and excels in managing partnerships, financial planning, and overall marketing strategy. Their leadership added with our team drives Nandani Creation's success and fuels its growth in the dynamic fashion market. We will continue to leverage on the experience of our management and team and their understanding of the industry we operate in, to take advantage of current and future market opportunities. For further details of the educational qualifications and experience of our promoters and team please refer to the chapter titled "Our Management'' on page no. 89 of this Draft Letter of Offer.

Diversified pan-India multichannel distribution with a strong foothold on both offline and online channels

Our brands have a pan-India presence with a multichannel distribution network of 12 EBOs (comprising 8 COCO outlets and 4 FOFO outlets) across 7 states in India. We have significantly expanded our EBO footprint by a net addition of 8 stores since April, 2023. For financial year 2023, 90% of our revenue from operations was generated from online channels, out of which 7% was from our own website, jaipurkurti.com, and 83% from third-party online marketplaces such as Myntra, Amazon, Flipkart, Nykaa, Tata Cliq etc.

Own Manufacturing Set Up

Our Manufacturing Facilities are fully integrated from handling of raw material to finished goods and are equipped with modern storage facilities and latest machineries, enabling us to manufacture quality products, and achieving cost efficiencies. Over the years, our Company has made continuous investments in its manufacturing infrastructure to support its product portfolio requirements. We engage in continuous product development and introduction of new designs to keep up with the trends and meet our customer requirements.

Brand Equity

Our company's brand, Jaipur Kurti, holds a strong position in its respective product categories, garnering recognition from our customers. Additionally, we are actively developing our brand, Amaiva- By Jaipur Kurti, Jaipur Kurti Luxe and Desi Fusion, to broaden our affordable clothing segment. With our commitment to quality and meeting customer demands, we consistently achieve brand recall among consumers, thereby enhancing our brand equity.

Cordial Relationship with Major Ecommerce Platforms

We focus on building sustained and long-term relationship with all the major ecommerce platforms and constantly try to cater customer needs with products in demand. theses major e commerce platforms provide us mandate for continuous growth. We trust that our existing relationship and goodwill serves as a competitive advantage in gaining new clients and increasing our business with these large platforms.

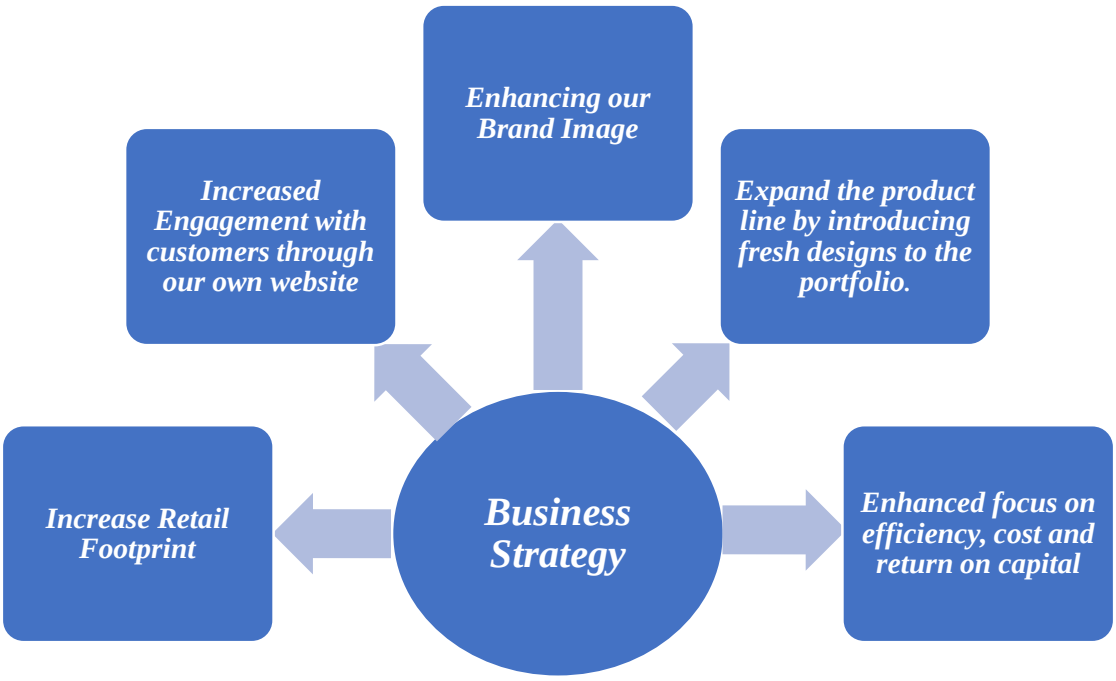
Endorsement by Brand Ambassador

In 2023, our company on boarded Bollywood actress "Madhuri Dixit" as a brand ambassador to promote Company's brands "Jaipur Kurti" & Desi Fusion-By Jaipur Kurti" As a part of this association, Madhuri Dixit will endorse "Jaipur Kurti" and "Desi Fusion By Jaipur Kurti" brand products augmenting the Company's reach across the country. Under the branding campaign, Nandani Creation Ltd plans to undergo promotional activities through outdoor marketing, in-store visual branding (electronic and print) along with digital media advertisements of its product portfolio. The company looks forward to having a long-standing alliance and strongly believes that the coalition will substantiate the brand philosophy.

BUSINESS STRATEGY

Our focus is on utilizing our core strengths for expanding our operations in existing as well as new markets. Our Company meticulously engineered with a cutting-edge technology and aptly supported by an efficient team of trained personnel who marketed the product in unexplored markets, had soon positioned itself as one of the popular brands in Indian market and paved the way for acquiring bigger share of this competitive market which hitherto was not captivated or dominated by unorganized companies.

The increase in demand of good quality products of varied colours, design and sizes and customized as per the demands of the customers compelled us to explore the market and create demand. A brief description of the business strategies employed by us is as under:



Increased Retail Footprint through our Asset light Franchise Business Model.

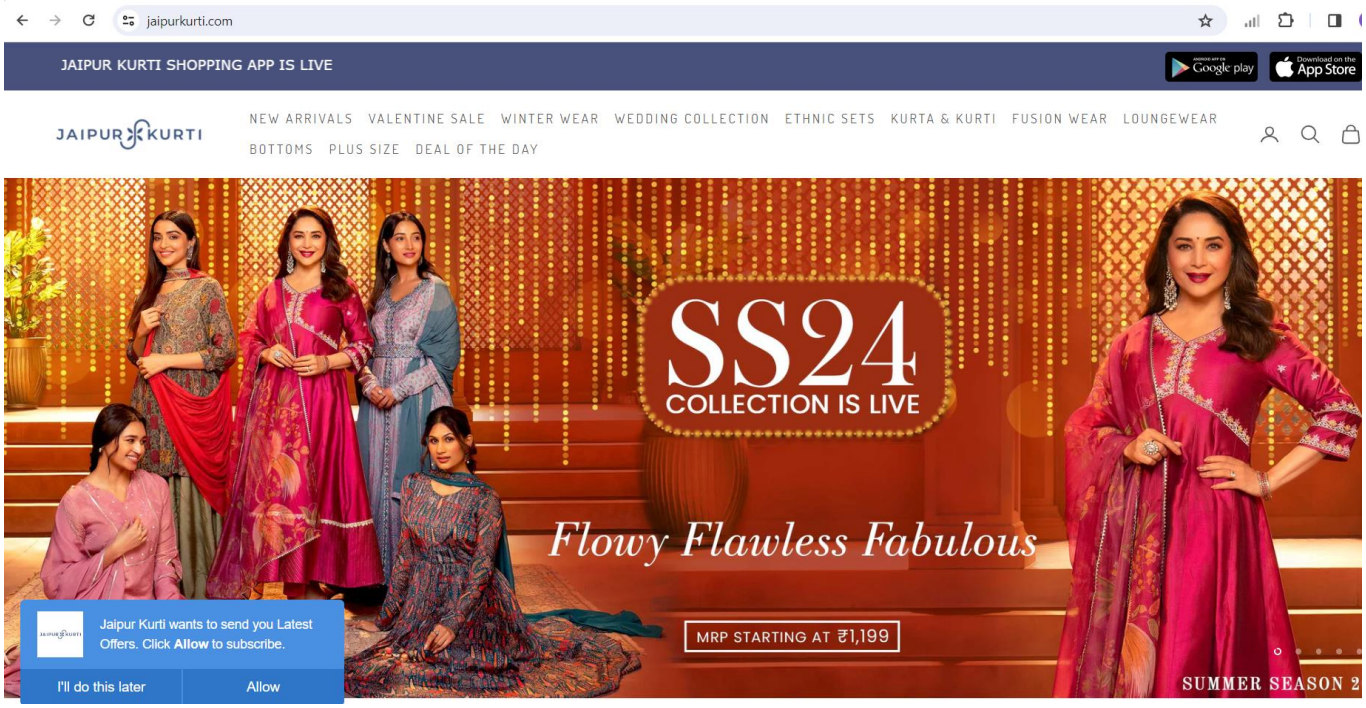
We utilize a growth strategy that is controlled and methodical. We evaluate potential locations and cities for our retail expansion carefully, based on multiple criteria (including client demands, availability of prime location and demographic profile). We will continue to invest in markets that provide strong returns on our investment over the long-term. We plan to further expand our network in high-demand markets, thereby reinforcing our presence pan India. Moreover, we have partnered with Franchisee India to expand our presence in state of Andhra Pradesh, Telangana, Gujarat, West Bengal, Bihar, and Jharkhand. We also intend to grow both company owned and franchisee owned store Pan India. We have also recently started to develop MBO network, which will further fuel our retail presence Pan India

Increased Engagement with customers through our own website and newly launched Mobile App.

Our website "www.jaipurkurti.com" is dedicated to provide one stop solution for trending Indian fashion wear for women. We believe that increase in the use of our website is strategic and integral to our business, as it helps us establish our presence, ease our business process, improve customer's shopping experience and reduce costs. We aim to leverage the website we currently use and progress further towards development so that we meet our customers' requirements by facilitating ease in transacting and access to complete range of product varieties through our website. Through these initiatives, we expect our customer's user experience to improve, which should enable us to build customer loyalty. We continue to target a dedicated audience of women to bring lots of option to stay stylish in every day look. We plan to increase our focus on growing our existing product ranges covering each type of looks for any season for our audience

We are currently focusing on Social Media marketing and increasing the engagements, views, traffic of the customers on our D2C websites. We are also focusing on Premiumization strategy to play out supported by Brand Ambassador and development of our own sales channel.

We have launched our Mobile Application in November, 2023 to enhance our reach and to align with the company's strategy to expand its retail presence in high potential markets for its fashionable ethnic wear offerings. Our mobile application is available on both Android and iOS, offering convenient shopping with a vast product selection at user fingertips. The mobile app is a critical tool for developing the company's proprietary online sales channel and establishing a comprehensive Omni-channel presence.



Strengthening the brand positioning

Brand recognition plays an important role in apparel industry. Customer loyalty for brands enhances the prospects of a Company in our industry. Our brand - Jaipur Kurti, Amaiva – By Jaipur Kurti , Jaipur Kurti Luxe and Desi Fusion is being well known in both Online and Offline business segments . We are highly conscious about our brand image and seek to further strengthen our brand by increasing its visibility through marketing initiatives, supplying qualitative products at competitive prices. Presently, we are promoting our brand by engaging an eminent Bollywood celebrity "Madhuri Dixit" and strive to actively support our brand through online and print advertising and exhibitions and events.

We believe there is an untapped market in the middle-income segment wherein the consumers are far restrictive to pay money for designer apparel. This will enhance our business prospects as we shall be able to target a larger number of consumers. Introduction of Desi Fusion will help us to further strengthen our brand image and make it more popular among masses.

We are currently focusing on strengthening the brand positioning by opening EBO's, SIS counters, and other retail touchpoints.

Expand the product line by introducing fresh designs and catalogues to the portfolio

Our Company's strategy is focused towards introducing new product designs to meet the ever-changing demands of the market as well as garnering the attention of more end-users. This helps in strengthening the relationship with the existing customer network through a wide range of products along with onboarding new customers. Identifying and developing new products and designs is a continuous exercise that our management team/designers team engages into as we believe that there is an immense demand in the markets for unique designs, good quality and competitively priced products.

Enhanced focus on efficiency, cost and return on capital

We intend to continue to improve the efficiency of our operations, reduce costs, improve margins and enhance the efficiency of capital employed thereby increasing the return on our capital, while still focusing on sustainable growth. We will continue to leverage technology for better demand planning, replenishment. This will help us improve sales and sell through, allowing us to increase turnover and minimize markdowns on our inventory. These actions are expected to improve margins, reduce costs and also reduce our overall inventory and debtor levels. We believe our focus on costs and network efficiency will help us improve our profitability and return on capital employed.

Considering our business model, to ensure viability, sustained growth and to adapt to the changing dynamics of the industry, we intend to consolidate our manufacturing activities under our wholly owned subsidiary, "Desi Fusion Private Limited" in near future. Consequently, all the machines used in manufacturing of garments shall be transferred from Nandani Creations Limited to Desi Fusion Private Limited. In that case, the entire manufacturing activity will be carried under Desi Fusion Private Limited and Nandani Creations Limited will solely engage in purchase and sale of finished garments. This move is being considered with a scope of streamlining our production processes, reducing costs, and improving efficiency

It is hereby clarified that on a consolidated group level, the outcome of this proposed strategy will have no impact on the current business model.

OUR UNIT

Currently, our Company is operating from following locations:

Type of Facility	Location
Registered Office	G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur-302006, Rajasthan
Manufacturing Unit	G-13, Kartarpura Industrial Area, Near 22 Godam, Jaipur-302006, Rajasthan G-21A, Kartarpura Industrial Area, Near 22 Godam, Jaipur-302006, Rajasthan

UTILITIES & INFRASTRUCTURE FACILITIES

Infrastructure Facilities
Our registered office and manufacturing unit at Kartarpura Industrial Area, Jaipur is well equipped with computer systems, internet connectivity, other communications equipment, security and other facilities, which are required for our business operations to function smoothly. It is equipped with requisite utilities and facilities including the following:

Power
Our Company meets its power requirements by purchasing electricity from Jaipur Vidyut Vitran Nigam Limited. The current sanction limit provided to us is 48 HP.

Water
Our Company has 1 (one) bore well & have installed water purifiers to meet our water requirements and it is used only for domestic purposes for our employees.

CAPACITY UTILIZATION

Though the Company is engaged in manufacturing of finished apparels, it majorly undertakes cutting, stitching/assembling and inspection of fabric. Further every product which our Company manufactures has manual intervention throughout the production process and is dependent upon the skills and turnaround time of each employee. Hence there does not exist any specific data relating to capacity and capacity utilization.

COLLABORATIONS

As on the date of this Draft Letter of Offer, our Company has entered into a collaboration in the form of Master Franchise agreement with Franchise India Consultants Private Limited for the expansion of its business through franchising in the Territories of West Bengal, Bihar, Jharkhand, Gujarat, Andhra Pradesh and Telangana in India. This collaboration was entered by the company on 4th day of January, 2024. Other than described above, our Company has not entered into any technical or othercollaboration.

EXPORT AND EXPORT OBLIGATION

Our Company does not have any Export Obligation as on date of filing of this Draft Letter of Offer

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on January 31, 2024 we have 139 employees at our manufacturing facility registered office, Retail Stores, who look after our business operations, factory management, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Apart from these we also employ casual labour or temporary labour on need basis. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabledus to successfully implement our growth plans.

Category	No. of Employees
Executive Directors	3
Key Managerial Personnel (KMP's)	2
Other Employees	134
Total	**139**

MARKETING

We believe that our brand 'Jaipur Kurti' plays and important role in promotion of our products, and that our future success and competitiveness may be influenced by the performance of our flagship brand "Jaipur Kurti", as well as our ability to communicate effectively about our products with our target customers through consistent and focused marketing. Maintaining

and enhancing the reputation of our brand is critical to our future success and competitiveness. We strive to actively support our brand through online and print advertising and through promotion in exhibitions and events.

The success of our company heavily relies on the efficiency of our marketing and sales network. As a prominent player in the apparels industry for more than a decade, we, as manufacturers, retailer, and suppliers, prioritize customer confidence by delivering quality products tailored to their needs. Our marketing strategy centers on competitive pricing, reliable and timely product delivery, and maintaining a high standard of customer service. To bolster customer retention and drive business growth through word-of-mouth, the company lays strong emphasis on after-sales services and product quality.

For the nine months period ended December, 2023, Financial Year 2023, Financial Year 2022 and Financial Year 2021, our marketing expenses including salaries and expenses of marketing employees were ₹ 344.82 lakhs, ₹ 387.35 lakhs, ₹ 214.40 lakhs and ₹ 155.05 lakhs.

Our sales and marketing strategy seeks to increase our revenues from new and existing customers. We have a dedicated marketing team, which coordinates corporate-level branding efforts that range from effective advertisement strategy to participation in exhibitions, conferences and events.

INVENTORY MANAGEMENT

We have adopted a comprehensive approach towards inventory management We have on boarded LOGIC ERP as our Integrated ERP Solution for Inventory Management. We are currently stocking the Inventory at various locations including our Manufacturing facility and our various POS/Retail Stores. The Stock is kept in such a way that we can track the inventory through BIN/Godown facility of the ERP, can analyze the assortments, prioritize picking and is managing the Inventory movement through FIFO (First in First Out) model of inventory. The Stocks are kept at various locations on the basis of its category, size, qty etc. We have strict controls in place to keep a close eye on our entire inventory through BIN/Godown system of the ERP. Each item gets a EAN which allows for real time tracking. The EAN Barcodes increases e-commerce transparency. The Goods in transit, reconciliation of the Stock is well managed through the ERP.

Our registered office in Jaipur serves as our central procurement system, where the inventory is received. Upon arrival, raw materials undergo thorough verification against corresponding invoices before being subjected to stringent quality control measures. This systematic approach ensures accuracy, transparency, and quality standards throughout our inventory processes.

INTELLECTUAL PROPERTY

Trade Mark

Sr. No.	Particulars of the mark	Applicant/ Owner	Trade Mark No. / Application No.	Class
1.	JAIPUR KURTI	Owned	5673374	25
2.	JAIPUR KURTI	Owned	7874267	24
3.	JAIPUR KURTI (APPLIED)	Owned	5673375	35
4.	DESI FUSION	Owned	3184898	25
5.	DESI FUSION	Owned	3184899	35
6.	AMAIVA	License	3794836	24
7.	AMAIVA	License	3794837	25
8.	AMAIVA	License	3794838	35
9.	JAIPUR KURTI LUXE (APPLIED)	Owned	6263671	25
10.	JAIPUR KURTI LUXE (APPLIED)	Owned	6263673	24
11	JAIPUR KURTI LUXE (APPLIED)	Owned	6263672	35

LAND AND PROPERTY

Owned Properties:

Our Company does not own any property.

Lease Properties:

The following properties are taken on lease by our Company

Sr. No.	Location of the property
1.	G-13 Kartarpura Industrial Area, Near 22 Godam, Jaipur-302006, Rajasthan
2.	G-21A, Kartarpura Industrial area, Near 22 Godam, Jaipur-302006, Rajasthan
3.	Shop no. G-1 & G-2, G.F. Dwarika Tower, Plot No. A-12, Central Spine, Vidhyadhar Nagar, Jaipur
4.	Upper Ground Floor, Property No. 74, Commercial Street, Shivajinagar, Bangalore 560001, India
5.	G-21, Triton the Mega Mall, Near Chomu Puliya Circle, Jhotwara Road, Jaipur 302039, Rajasthan
6.	Shop No. C-3, Ground Floor, Vaishali Nagar, Jaipur 302021, Rajasthan
7.	G-1 (Part A), Pacific Mall, Ground Floor, Gaziabad-201010, Uttar Pradesh
8.	Ground Floor & First Floor - Shop no. 41, Gumanpura, Kota-324007, Rajasthan
9.	A-04, Ridhi Sidhi High Street, Hanumangarh Road, Sri Ganganagar, Rajasthan – 335001
10.	First Floor, F-16, the Metropolitian Mall Mgf, Bais Godam Circle, Jaipur-302001, Rajasthan

INSURANCES

The details of insurance policies obtained by the company are:

Sr. No.	Name of the Insurance Company	Type of Policy	Validity Period	Policy No	Sum insured (Rs. In lakhs)
1.	National Insurance Co. Ltd	Fire Insurance Policy	20.07.2024	370205112310000132	1900
2.	National Insurance Co. Ltd	Burglary Insurance Policy	20.07.2024	370205592310000181	1900
3.	Go Digit General Insurance	Car Policy	16.03.2024	D097200930 / 17032023	7
4.	National Insurance Co. Ltd	Fire And Burglary Policy	22.10.2024	370205592310000300	37
5.	National Insurance Co. Ltd	Fire And Burglary Policy	01.03.2024	370205592310000486	35
6.	National Insurance Co. Ltd	Fire And Burglary Policy	02.02.2025	370205592310000400	52
7.	National Insurance Co. Ltd	Fire And Burglary Policy	11.12.2024	370205592310000321	33
8.	National Insurance Co. Ltd	Fire And Burglary Policy	17.05.2024	370205592310000054	99

9.	National Insurance Co. Ltd	Fire And Burglary Policy	07.03.2024	370205592310000488	30
10.	Future Generall India Insurance Co. Ltd	Car Policy	12.05.2024	VOL04263	54
11.	National Insurance Co. Ltd	Fire And Burglary Policy	24.09.2024	370205592310000278	88
12.	National Insurance Co. Ltd	Fire And Burglary Policy	26.02.2025	370205592310000489	45

OUR MANAGEMENT

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association.

Our Articles of Association requires us to have not less than three and not more than fifteen Directors. As on date of filing of this Draft Letter of Offer, we have six (6) Directors on our Board, comprising of three (3) executive directors including two woman directors, three (3) non-executive independent directors. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

BOARD OF DIRECTORS

The following table provides details regarding the Board of Directors of our Company as of the date of this Draft Letter of Offer:

Sr. No.	Name, address, DIN, date of birth, term, period of directorship, occupation	Designation	Other directorships
1.	**Mr. Anuj Mundhra** ***Address:*** 302, Kamal Apartments C-6, Sawai Jai Singh Highway, Bani Park, Jaipur Rajasthan-302016. ***DIN:*** 05202504 ***Date of Birth:*** 30/07/1981 ***Age:*** 42 years ***Term:*** From August 15, 2021 to August 14, 2026. Liable to retire by rotation ***Period of Directorship:*** *Since February 21, 2012* ***Nationality***: Indian ***Occupation:*** Business	Chairman and Managing Director	• NIL
2.	**Mrs. Vandana Mundhra** ***Address:*** 302, Kamal Apartments C-6, Sawai Jai Singh Highway, Bani Park Jaipur 302016, Rajasthan, India. ***DIN:*** 05202403 ***Date of Birth:*** 22/02/1981 ***Age:*** 42 years ***Term:*** From August 15, 2021 to August 14, 2026. Liable to retire by rotation ***Period of Directorship:*** *Since February 21, 2012*	Whole-Time Director	• NIL

	Nationality: Indian ***Occupation:*** Business		
3.	**Mrs. Sunita Devi Mundhra** ***Address:*** 302, Kamal Apartments C-6, Sawai Jai Singh Highway, Bani Park Jaipur 302016, Rajasthan, India. ***DIN:*** 05203015 ***Date of Birth:*** 12/02/1961 ***Age:*** 63 years ***Term:*** From August 15, 2021 to August 14, 2026. Liable to retire by rotation ***Period of Directorship:*** *Since February 21, 2012* ***Nationality***: Indian ***Occupation:*** Business	Whole-Time Director	➢ Desi Fusion India Private Limited
4.	**Mr. Gagan Saboo** ***Address:*** B-3, Metal Colony, Amba Bari Jaipur 302039, Rajasthan, India ***DIN:*** 07545038 ***Date of Birth:*** 27/11/1982 ***Age:*** 41 years ***Term:*** From October 01, 2021 to September 30, 2026 ***Period of Directorship:*** *Since August 12, 2016* ***Nationality***: Indian ***Occupation:*** Professional	Independent Director	• NIL
5.	**Mr. Gaurav Jain** ***Address:*** 8/336, Old Vidhyadhar Nagar, Jaipur 302039, Rajasthan, India ***DIN:*** 00065686 ***Date of Birth:*** 12/02/1982 ***Age:*** 42 years ***Term:*** From October 01, 2021 to September 30, 2026	Independent Director	➢ Real Revolution Buildestate Private Limited ➢ Hm Aluminium Alloys Private Limited

	Period of Directorship: *Since August 12, 2016* ***Nationality***: Indian ***Occupation:*** Professional		
6.	**Mr. Neetesh Kabra** ***Address:*** 17, Ajmera Garden Nirman Nagar, Kings Road, Shyam Nagar Jaipur 302019, Rajasthan, India. ***DIN:*** 01574553 ***Date of Birth:*** 12/05/1975 ***Age:*** 48 years ***Term:*** From October 01, 2021 to September 30, 2026 ***Period of Directorship:*** *Since August 12, 2016* ***Nationality***: Indian ***Occupation:*** Professional	Independent Director	➢ Shree Ganesh Kripa Consultancy Services Private Limited

Confirmations

1. Neither our 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.

2. None of the 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 Letter of Offer, during the term of his/ her directorship in such company.

3. 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 ten years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.

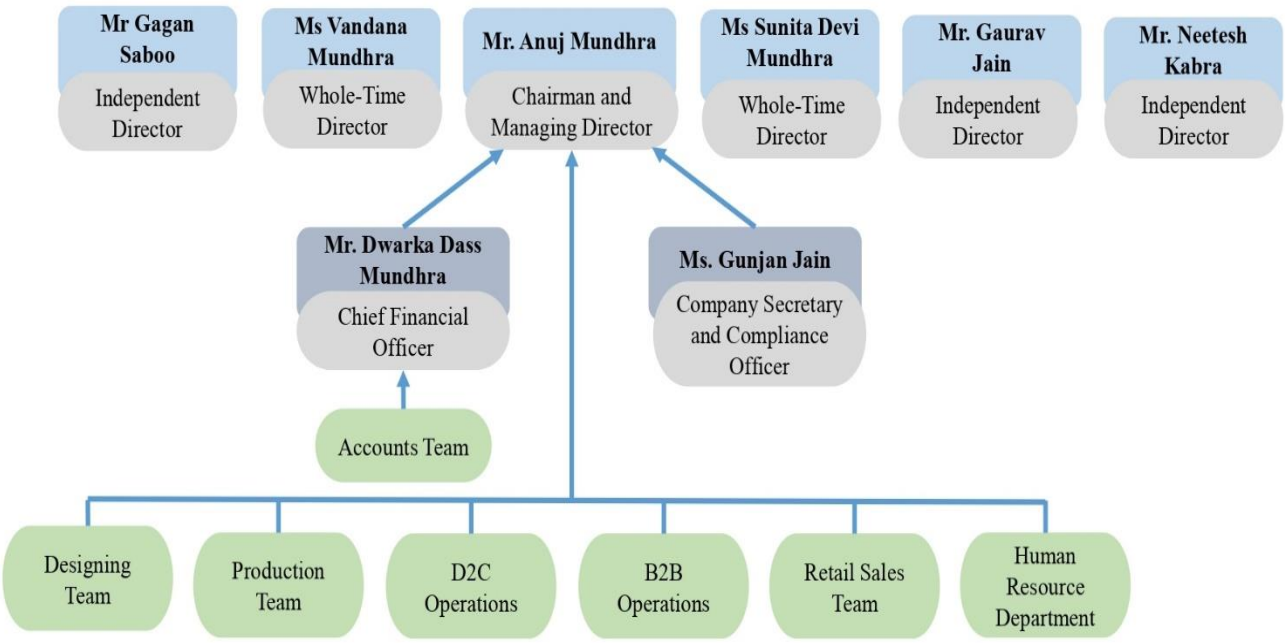
4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

5. 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.

Details of Key Managerial Personnel and Senior Management

Sr. No.	Name of Key Managerial Personnel/Senior Management	Designation	Date of joining Company
	Key Managerial Personnel		
1.	Mr. Anuj Mundhra	Chairman and Managing Director	February 21, 2012
2.	Mrs. Vandana Mundhra	Whole-time Director	February 21, 2012
3.	Mrs. Sunita Devi Mundhra	Whole-time Director	February 21, 2012
4.	Mr. Dwarka Dass Mundhra	Chief Financial Officer	August 22, 2016
5.	Ms. Gunjan Jain	Company Secretary & Compliance Officer	January 19, 2017

Management Organisation Structure



DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, capital expenditure, profitable growth, cash flow and liquidity position, accumulated reserves, earnings stability, etc. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. Our Company has not declared any dividend in last three financials years and has also not declared any interim dividend during the six month period ended September 30, 2023.

The amount paid as dividends in the past is not necessarily indicative of our dividend distribution policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "***Risk Factors – Our Company has not paid any dividends in the past three years and we may not be able to pay dividends in the future.***" on page 30.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Audited Financial Statements as at and for the year ended March 31, 2023	95
2.	The Limited Reviewed Financial Results for the six month period ended September 31, 2023	162

INDEPENDENT AUDITORS REPORT

To
The Members of
NANDANI CREATION LIMITED
Jaipur

Opinion

We have audited the standalone financial statements of NANDANI CREATION LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2023 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India of the state of affairs of the company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not observed anything which falls under this.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

To express an opinion on these financial statements based on our audit. We have considered the provisions of the Act, the Indian accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules there under. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Directors is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Boards of Directors are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole free form material misstatement are, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the returns received from the branches not visited by us.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India.

e) On the basis of written representations received from the directors as on 31 March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund.

iv.

(a)The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b)The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding,

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whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(d) There were no dividends declared and paid by company during the year.

(e) Whether the company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention. (*Not applicable for current financial year)*

Place: **Jaipur**

Dated: **25.05.2023**

ASHOK HOLANI AND COMPANY
Chartered Accountant
FRN : 009840C



DEEPAK KUMAR JANGID
Partner
Membership No. 447352
UDIN: 23447352BGXJZI6863

Annexure A referred to in paragraph 7 of our report of even date to the members of NANDANI CREATION LIMITED on the financial statements of the company for the year ended March 31, 2023.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) a. The company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment.

b. The company has maintained proper records showing full particulars of intangible asset.

(b) According to the information and explanations given to us and based on the records of the company examined by us, Property, Plant and Equipment have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on the records of the company examined by us, the total assets of the company include immovable property and the title deed of the immovable property are held is in the name of the company.

(d) According to the information and explanations given to us and based on the records of the company examined by us, the company has not revalued its Property, Plant and Equipment or intangible asset or both during the year.

(e) According to the information and explanations given to us and based on the records of the company examined by us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) According to the information and explanations given to us and based on the records of the company examined by us, physical verification of inventory has been conducted at reasonable intervals by the management but the coverage and procedure of such verification by the management should be strengthen and improve.

(b) According to the information and explanations given to us and based on the records of the company examined by us, the company has been sanctioned working capital limits excess of Rs. 500 lakhs from banks. The Company prepares and files its financial statements on half yearly basis therefore it is not possible for us to comment on quarterly statements filed by the company to bank. On review of the half yearly statements filed with banks with the financial statements prepared there are significant variations reported below.

(Rs. In Lakh)

Particulars	Amount reported in statement filed with bank(A)	Amount reported in financial statement(B)	Difference (A-B)
First Half Year			
Inventory	1372.42	1548.09	(175.67)
Trade Receivable	864.35	885.80	(21.45)
Trade Payable	214.18	307.17	(92.99)
Second Half Year			
Inventory	1966.29	2063.95	(97.66)
Trade Receivable	665.85	684.96	(19.11)
Trade Payable	111.63	163.15	(51.52)

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3. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

a. The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year except as mentioned below.

Particular	Amount
1. The Company has been provided corporate guarantee for cash credit loan from Axis Bank limited for its subsidiaries i.e. Desi Fusion India Private Limited Amount	120 Lakhs

b. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of secured and unsecured loans are, prima facie, not prejudicial to the interest of the Company.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of secured and unsecured loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of secured and unsecured loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party.

f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

4. According to the records of the company examined by us and as per the information and explanations given to us, the company has not provided any loans, secured or unsecured or advances in the nature of loans, therefore the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities are not applicable on the company.

5. The company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013

6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

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7 (a) According to the information and explanations provided to us and based on the records of the company examined by us, the company is not regular in depositing undisputed statutory dues including goods and service tax, Tax deducted at source, Tax collection at source, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, the following undisputed amounts were payable in respect of the above were in arrears as on 31st march, 2023 for a period of more than six months from the date on when they become payable.

Nature of Tax	Amount (In Lakh)
The Income Tax Department has raised demands for FY 2021-22 and 2022-23 in regard to tax deducted at source for non-compliances to the provision of the act that has been verified from TRACES.	8.48

(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no outstanding dues of Income tax or Sales tax or Service tax or Duty of Customs or duty of excise or value added tax which should be deposited on account of any dispute.

8. According to the information and explanations given to us and based on the records of the company examined by us, there is no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

9. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company has not made defaults in repayment of loans or borrowing/interest to a financial institution or dues to debenture holders.

(b) According to the information and explanations given to us and based on our findings the company is not a declared willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and based on our findings of the same, the company has applied term loans availed from the bank and financial institutions for the purpose for which the loans were obtained

(d) According to the information and explanations given to us and based on our findings of the same, the company has not applied any funds raised on short term basis for the for the long-term purposes.

(e) According to the information and explanations given to us and based on our findings Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and based on our findings, company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

10. (a) According to the information and explanations given to us and based on the records of the company examined by us, company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) According to the information and explanations given to us and based on the records of the

company examined by us, company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

11. (a) During the course of our examination of the books and records of the company carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the company.

(b) According to the information and explanations given to us and based on the records of the company examined by us, no report has been required to filed by the auditor under sub-section (12) of section 143 of the Companies Act, 2013 in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us and based on the records of the company examined by us, there is no whistle-blower complaints against the company.

12. In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Hence, Sub clause a,b,c of is not applicable to it.

13. According to the information and explanations given to us and based on the records of the company examined by us, the company is in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable rules, and where applicable, for all transactions with the related parties and the details of the related party transection have been disclosed in the financial statements as required by the applicable accounting standards.

14. As per section 138 of Companies Act,2013 read with rule 13 of Companies (Accounts) Rules, 2014 company is required to appoint internal auditor as per size and nature of its business.

We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

15. According to the records of the company examined in course of our audit and as per information and explanations given to us, the company has not entered in any non-cash transaction with directors or persons connected with him. Hence, provisions of Section 192 are not applicable to the company.

16. According to information and explanations given to us and on the basis of records of the company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, sub clause b, c and d are not applicable on the company.

17. According to information and explanations given to us and on the basis of records of the company examined by us, the company has not incurred cash losses in the current financial year and immediately preceding year.

18. According to information and explanations given to us and on the basis of records of the company examined by us there has been no resignation of the statutory auditors during the year.

19. According to information and explanations given to us and on the basis of records of the company examined and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, there were no material uncertainty exists as on the date of the audit report that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

20. According to information and explanations given to us and on the basis of records of the company examined and as per section 135 of Companies Act,2013 CSR is not applicable on the company for

the financial year covered under the audit, hence, Sub clause-a and of is not applicable to it.

Place: **Jaipur**

Dated: **25.05.2023**

For ASHOK HOLANI AND COMPANY
Chartered Accountants
FRN : 009840C



(DEEPAK KUMAR JANGID)
Partner
Membership No. 447352
UDIN: 23447352BGXJZI6863

Annexure B referred to in paragraph 8(g) of our report of even date to the members of NANDANI CREATION LIMITED on the Financial Statements of the company for the year ended March 31, 2023.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NANDANI CREATION LIMITED.** ("The Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other

accounting principles generally accepted in India. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Jaipur

Dated: 25.05.2023

ASHOK HOLANI AND COMPANY
Chartered Accountant
FRN : 009840C

ASHOK HOLANI & CO. JAIPUR Chartered Accountants

DEEPAK KUMAR JANGID
Partner
Membership No. 447352
UDIN: 23447352BGXJZI6863

Note No.1 to the financial Statements for the Year ending on 31stMarch 2023

A. Background of the Company

The Company was incorporated as Nandani Creation Private Limited under the provisions of the Companies Act, 1956 vide certificate of incorporation having CIN: U18101RJ2012PLC037976 dated February 21, 2012, in Jaipur. Further, the Company was converted into public limited company i.e.Nandani Creation Limited having CIN: L18101RJ2012PLC037976vide fresh certificate of incorporation dated August 12, 2016.

The registered office of the company is situated G-13 Kartarpura Industrial Area Near 22 Godam, Jaipur-302006.

The company is engaged in Manufacturing, produced, import, export, wholesalers, trader, buyer, seller, job workers of dress materials, suits, sarees, garments of men, women and children including sportswear, active wear, daily wears, fashion wears, party wears wearing apparels purses, belts, wallets, and other allied good made from cotton, silk, synthetics, jute, velvet, woolen, leather, rexine or with any combination thereof and to participate in local, national and international trade fairs, sales exhibitions, seminars, fashion shows or any other sales promotion scheme.

B.Significant Accounting Policies: -

1. Compliance with Indian Accounting Standards: -

The standalone financial statements are prepared in accordance with the IND AS asprescribedundersection133ofTheCompaniesAct, 2013readwithRule3 of Companies (Indian Accounting Standard) Rules 2015 and other relevant provision of this Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements have been prepared on a Historical cost basis except for certain financial assets and liabilities that are measured at fair values.

2. Use of estimates and judgments: -

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that requires material adjustments to the carrying amount of the assets and liabilities in future period/s.

These estimates and assumptions are based on the facts and events, that existed as at the date of Statement of Financial Position, or that occurred after that date but provide additional evidence about conditions existing as at the Statement of Financial Position date.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

I. Useful lives of Property, Plant and Equipment



The Property, Plant and Equipment are depreciated, on written down value basis in the case of other assets, over their respective useful lives. Management estimates the useful lives of these assets as detailed in Point10. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the profit/loss in future years.

II. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of Government Bonds with a tenure similar to the expected working lifetime of the employees. The mortality rate is based on publicly available mortality table for the specific countries.

III. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. Further in case relevant information is not available to ascertain the fair market value, then the cost price is taken.The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

3. Functional and presentation currency: -

The financial statements are prepared in Indian Rupees ('Rs.'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the lakhs with nearest two decimal places, unless stated otherwise.

4. Current versus non-current classification: -

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle,
- held primarily for the purpose of trading,
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after

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the reporting date.
All other liabilities are classified as non-current.

Operating Cycle:
The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

5.RevenueRecognition: -

Revenue has been recognised as per IND AS 18- Revenue Recognition issued by Central Government of India under the supervision and control of Accounting Standards Board (ASB) of Institute of Chartered Accountants of India.Revenue from sale of goods is recognized when significant risk and rewards of ownership of the goods have been passed to the buyer and it is reasonable to expect ultimate collection. Sale of goods is recognized net of GST and other taxes as the same is recovered from customers and passed on to the government

6.TaxesonIncome:-

Tax expense for the year comprises of Current Tax and Deferred Tax.

a) Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the tax regime inserted by the Taxation Laws (Amendment) Act, 2019 in the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

For detailed breakup of current year deferred tax refer to sub note 7. (Notes to the accounts)

7. Provisions and ContingentLiability: -

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising because of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

For detailed contingent assets and liabilities refer to note 32. (Notes to the accounts)

8. TangibleAssets&CapitalWork-In-Progress:-

Tangible Assets are stated at cost less Depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition, improvements and installation of the assets.

10. Property, Plant & Equipment (PPE): -

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation, and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Depreciation on property, plant & equipment is provided on pro-rata basis, on written down value basis in the case of Plant & Machinery, Buildings and Data Processing Equipment, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.The Useful Life of Various assets are mentioned in the Chart below.

Class of Assets	Useful Life as per Schedule II	Useful Life as per Group
Computer	3 years	3 Years
Furniture & Fixtures	10 Years	10 Years
Office Equipments	5 Years	5 Years
Plant and Equipments	15 Years	15 Years
Vehicles	10 Years	10 Years
Motor Car	8 Years	8 years

11. Financial Instruments: -

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



1) Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

b) Classification and subsequent measurement

For subsequent measurement, financial assets are classified in the following categories:

I. Financial assets measured at amortized cost.
II. Financial assets measured at fair value through other comprehensive income (FVTOCI); and
III. Financial assets measured at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

I. Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- **Business Model Test:** The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- **Cash Flow Characteristics Test:** Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial asset is subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, investment in debt instruments, cash and cash equivalents and employee loans, etc.

II. Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both

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of the following conditions are met:

- **Business Model Test:** The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- **Cash Flow Characteristics Test:** The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss. This category generally applies to non-current investments in un-quoted equity instruments.

III. Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value Through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e., gain or loss and interest income are recorded in Statement of Comprehensive Income.

a. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost.
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.
- Financial assets that are debt instruments and are measured at FVTOCI. The Company as at the Balance Sheet date is not having any such instruments.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime

ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

b. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet date) when:

a) The rights to receive cash flows from the asset have been expired/transferred, or
b) The Company retains the contractual right to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

2) Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

a) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include loans, borrowings, trade payables, security deposits and other payables etc.

b) Subsequent measurement

All the financial liabilities after initial recognition at fair value, are subsequently measured at amortized cost using EIR method. Amortized cost is calculated by considering any discount or premium on acquisition and costs or fee that is an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

c) Financial Guarantee Contract

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.



d) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

e) Offsetting of financial instruments:

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet, if there is enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

12. EarningsperShare:-

Basicearningspersharearecomputedbydividingthenetprofitaftertaxbytheweighted averagenumberofequitysharesoutstandingduringtheperiod. Thenumbersofequity sharesareadjustedretrospectivelyforallperiods presented.

The Calculation of Weighted Average Number of Equity Shares for Earning per shareis described below: -

Particulars	Current Year			Previous Year		
	No. Of Shares outstanding	No. Of Days outstanding	Weighted average number of Shares	No. Of Shares Outstanding	No. Of Daysoutstanding	Weighted average number of Shares
Number of Shares outstanding at theBeginning of theyear	10033950	365	10033950	10033950	365	10033950
By way of Bonus Issue	-	-	-	-	-	-
Issue through preferential allotment	1400000	107	410411	-	-	-
Total Shares outstanding at the end	11433950		10444361	10033950		10033950

The Calculation of Weighted Average Number of Equity Shares for Restated Earnings per share described below: -

Particulars	Current Year			Previous Year		
	No. Of Shares outstanding	No. Of Days outstanding	Weighted average number of Shares	No. Of Shares Outstanding	No. Of Days outstanding	Weighted average number of Shares

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Number of Shares outstanding at the Beginning of the year	10033950	365	10033950	10033950	365	10033950
By way of Bonus Issue	-	-	-	-	-	-
Issue through preferential allotment	1400000	107	410411	-	-	-
Total Shares outstanding at the end of the year	11433950		10444361	10033950		10033950

13. Investments:-

Non-Current/ Long-term Investments are stated at fair value as per IND AS 32 and 109 except investment in subsidiaries are stated at cost. Provision is made for diminution in the value of the investments, if, in the opinion of the management, the same is considered to be other than temporary in nature. On disposal of an investment, the difference between it carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Current investments are carried at lower of cost and fair value determined on an individual basis. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Investments are either classified as current or non-current based on management's intention. Long Term Investments includes investment made in the share capital of Subsidiary Company which are carried at cost.

14. ForeignCurrencyTransactions:-

a. Initial recognition

Transactions in foreign currency are accounted for at exchange rates prevailing on the date of the transaction.

b. Measurement of foreign currency monetary items at Balance Sheet date

Foreign currency monetary items (other than derivative contracts) as at Balance Sheet date are restated at the year End rates.

c. Exchange difference

Exchange differences arising on settlement of monetary items are recognized as income or expense in the period in which they arise.

Exchange difference arising on restatement of foreign currency monetary items as at the year End being difference between exchange rate prevailing on initial recognition/subsequent restatement on reporting date and as at current reporting date is adjusted in the Statement of Profit & Loss for the respective year.

Any expense incurred in respect of Forward contracts entered into for the purpose of hedging is charged to theStatement of Profit and loss.

15. Inventories:-

The Inventories are carried in the Balance Sheet as follows:

A. Raw materials and stores & spares: At lower of cost and net realizable Value

ASHOK HOLANI & CO. JAIPUR Chartered Accountants

B. Finished goods and stock-in-process: At lower of cost, and net realizable value. Cost includes cost of inputs, conversion costs and other costs incurred in bringing finished goods and stock-in-process, to their present location and condition.

The net-realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make sale.

16DutyDrawback:-

Duty Drawback is recorded on Receipt basis. Management is not able to estimable the amount of Claim receivable, therefore the duty drawback is recorded on receipt basis rather than on Accrual basis.

17. PriorPeriodExpenses:-

Prior Period Expenses for previous years have been expensed out during the current year and it is disallowed as per Income Tax Act.

18. Management Remuneration:-

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1)Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in the below mentioned table: -

A. RemunerationtoManaging Director,WTDand/orManager:

(Rs. in Lakhs)

Sr. No.	Particularsof Remuneration	NameofMD/WTD/Manager		Total Amount
		MD	WTD	
1.	Gross Salary	32.40	21.60	54.00
	a) Salary as per Provisions contained in section 17(1) of the Income Tax Act,1961.	-	-	-
	b) Value of perquisites u/s 17 (2) of Income Tax Act,1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Any other Benefits	-	-	-
	Total	**32.40**	**21.60**	**54.00**
	Ceiling as per Schedule V of the Companies Act on the account of inadequate profit.			**60.00**

The remuneration is paid as per limits sets out in Section II Part A of Schedule V in case of no profitor inadequate profit and as per resolution passed in the General meeting of the members.

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B. Remuneration to key managerial personnel other than MD/ Manager/ WTD: -

Sr. No.	Particularsof Remuneration	NameofManagerialPerson other thanMD/WTD/Manager			Total Amount
		CEO	CFO	CS	
1.	Gross Salary	-	3.60	6.90	10.50
	a) Salary as per Provisions contained in section 17(1) of the Income Tax Act,1961.	-	-	-	-
	b) Value of perquisites u/s 17 (2) of Income Tax	-	-	-	-
	c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
5.	Any other Benefits	-	-	-	-
	Total	-	3.60	6.90	10.50

19. CashandCashEquivalents:-

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, fixed deposits with banks which are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

20. SegmentReporting:-

The activities of the company are such that the According to IND AS-108 "Operating Segment": is not applicable in the company.

21. Lease: -

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. The Company allocates the consideration in the contract to the lease based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include net present value of the following lease payments:

- Fixed payments (including in substance fixed payments), less any lease incentives receivable,
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- Amounts expected to be payable by the Company under residual value guarantees,
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for lease in the Company,

the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security, and conditions.
Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability,
- Any lease payments made at or before the commencement date less any lease incentives received,
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.
Payments associated with short-term leases of equipment and all leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of twelve months or less.

22. Impairment of Non-Financial Assets: -

The Company assesses at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

23. Employee Benefits: -

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short-term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia etc. and the same are recognized in the period in which the employee renders the related services.

b. Defined contribution plan:



The Company's approved provident fund scheme, pension scheme, employees' state insurance scheme, and employees' superannuation scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

c. Defined Benefit Plan

The employees' Gratuity fund scheme is the Company's defined benefit plan and is partly funded / managed by a Trust. The liability with respect to gratuity is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. The difference, if any, between the actuarial valuation and the balance of the funds maintained by the Trust, is provided for as liability / assets in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

d. Other Long-Term Benefit

The liability towards encashment of the employees' long term compensated absences, which are partly en-cashable during the service period and balance at the time of retirement / separation of the employees is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

C. Others Accounting Policies

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements / information may not necessarily be same as those appearing in the respective audited financial statements for the previous year.

2. The Micro Small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006 have been taken based on the list of MSME creditors provided by the management. However, as the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

ASHOK HOLANI & CO. JAIPUR Chartered Accountants

NANDANI CREATION LIMITED
CIN: L18101RJ2012PLC037976
STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
A. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2.1	168.33	131.56
(b) Capital Work-in-Progress		-	-
(c) Other Intangible Assets	2.1	7.74	3.32
(d) Right to use assets	2.2	314.07	305.63
(e) Financial Assets			
(i) Investments	3	50.00	50.00
(ii) Trade Receivables	4	4.46	39.93
(iii) Loans		-	-
(iv) Other Financial Assets	5	120.45	74.81
(f) Deferred Tax Assets (Net)	6	33.67	26.99
(g) Other Non-current Assets		-	-
SubTotal Non Current Assets		**698.71**	**632.24**
(2) CURRENT ASSETS			
(a) Inventories	7	2,063.95	1,439.48
(b) Financial Assets			
(i) Investments	3	5.98	5.20
(ii) Trade Receivables	8	680.50	720.75
(iii) Cash and Cash Equivalents	9	7.23	8.78
(iv) Bank Balance other than (iii) above	9	339.18	11.44
(v) Other Financial Asset	10	552.63	471.68
SubTotal Current Assets		**3,649.46**	**2,657.32**
Total Assets (1+2)		**4,348.17**	**3,289.56**
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share capital	11	1,143.40	1,003.40
(b) Other Equity	12	1,663.70	483.98
Total Equity		**2,807.09**	**1,487.38**
(2) LIABILITIES			
(1) Non Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	13	138.37	373.85
(ia) Lease liabilities	13	338.06	324.61
(ii) Trade payables	14		
A. Total outstanding dues of micro enterprises and small enterprises		-	-
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		3.48	0.71
(iii) Other financial liabilities		-	-
(b) Provisions	15	16.27	18.28
(c) Deferred tax liabilities (net)			
(d) Other non current liabilities			
Sub Total Non Current Liabilities		**496.19**	**717.46**

ASHOK HOLANI & CO. JAIPUR Chartered Accountants

(2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16	779.95	759.51
(ii) Trade payables	17		
A. Total outstanding dues of micro enterprises and small enterprises		36.65	182.96
B. Total outstanding dues of creditors other than micro enterprises and small enterprises		123.02	90.84
(iii) Other financial liabilities		-	-
(b) Other current liabilities	18	71.56	24.80
(c) Provisions	19	33.71	26.63
(d) Current tax liabilities (net)		-	-
Sub Total Current Liabilities		**1,044.89**	**1,084.73**
Total Liabilities (1+2)		**1,541.08**	**1,802.19**
Total Equity and Liabilities (1+2)		**4,348.17**	**3,289.56**
Significant Accounting Policies and Notes to Financial Statements	1 to 31	-	-

In terms of our report of even date
FOR ASHOK HOLANI & CO
Chartered Accountants

ASHOK HOLANI & CO. JAIPUR Chartered Accountants

DEEPAK KUMAR JANGID
PARTNER
M.NO. 447352
Jaipur

Date: 25-05-2023
UDIN: 23447352BGXJZI6863

For and on behalf of the Board of Directors of
Nandani Creation Limited

Anuj Mundhra
(MANAGING DIRECTOR)
DIN 05202504

Vandana Mundhra
(WHOLE TIME DIRECTOR)
DIN 05202403

DWARKA DASS MUNDHRA
(CHIEF FINANCIAL OFFICER)

GUNJAN JAIN
(COMPANY SECRETARY)

NANDANI CREATION LIMITED
CIN: L18101RJ2012PLC037976
STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Particulars	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Income			
I. Revenue from operations	20	4,475.61	5,520.18
II. Other Income	21	49.74	30.84
III.Total Income (I + II)		**4,525.35**	**5,551.03**
IV Expenses:			
Cost of materials consumed	22	1,378.96	1,720.03
Purchases of Stock-in-trade	23	680.01	877.40
Changes in stock of finished goods, work-in progress and stock-in-trade	24	(341.60)	(66.83)
Employee benefit expense	25	229.24	212.68
Finance costs	26	212.86	121.56
Depreciation and amortisation expense	2	124.67	94.35
Other expenses	27	2,226.83	2,570.24
Total expenses (IV)		**4,510.97**	**5,529.42**
V Profit before exceptional and tax (III - IV)		**14.38**	**21.61**
VI Exceptional items	27.2	-	-
VII Profit before tax (V-VI)		**14.38**	**21.61**
VIII Tax expense			
Current tax		(18.27)	(16.92)
Tax expense for previous year		6.45	(2.29)
Deferred tax	7	8.43	7.81
IX Profit for the period (VII-VIII)		**10.99**	**10.22**
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		6.20	
Income Tax relating to above		(1.56)	-
Items that will not be reclassified to profit or loss			-
Remeasurement of Investments		0.78	0.65
Income Tax relating to above		(0.20)	(0.16)
Total Other Comprehensive Income (X)		5.22	0.48
XI. Total Comprehensive Income for the year(IX+X)		**16.21**	**10.70**
XII Earnings per equity share			
(1) Basic	28	0.11	0.10
(2) Diluted	28	0.11	0.10
Significant Accounting Policies and Notes to Financial Statements	1 to 31		

In terms of our report of even date attached
FOR ASHOK HOLANI & CO
Chartered Accountants

DEEPAK KUMAR JANGID
PARTNER
M.NO. 447352
Jaipur

Date: 25-05-2023
UDIN: 23447352BGXJZI6863

For and on behalf of the Board of Directors of
Nandani Creation Limited

ANUJ MUNDHRA
(MANAGING DIRECTOR)
DIN 05202504

VANDANA MUNDHRA
(WHOLE TIME DIRECTOR)
DIN 05202403

DWARKA DASS MUNDHRA
(CHIEF FINANCIAL OFFICER)

GUNJAN JAIN
(COMPANY SECRETARY)

NANDANI CREATION LIMITED
CIN: L18101RJ2012PLC037976
Cash Flow Statement for the year ended March 31, 2023

(Rs. in Lakhs)

Particulars	For The Year Ended 31st March, 2023	For The Year Ended 31st March, 2022
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	14.38	21.61
Adjustments for:		
Depreciation and amortisation of Property, Plant and Equipment	124.67	94.35
Gain on Sale of Fixed Assets	(10.20)	-
Notional Gain on sale of Right to use of Assets	(9.51)	(15.07)
Profit/ (Loss) on remeasurement of Right to use of Assets	0.54	(0.54)
Finance costs	212.86	121.56
Re-measurement gain/loss on routed through OCI	6.98	0.48
Operating profit / (loss) before working capital changes	**339.72**	**222.38**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Investment	(0.78)	(0.65)
Inventories	(624.46)	(51.95)
Trade receivables	75.73	(245.79)
Other Financial asset	(80.95)	(201.69)
Other Current assets	-	-
	(630.47)	**(500.08)**
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(111.35)	(48.05)
Other financial liabilities	46.76	(0.10)
Other current liabilities		(26.26)
Current tax liabilities		3.95
Provisions	7.07	10.46
	(57.52)	(60.01)
Cash generated from operations	**(348.27)**	**(337.70)**
Net income tax (paid) / refunds	(11.82)	(19.20)
Net cash flow from operating activities (A)	**(360.09)**	**(356.90)**
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(96.69)	(51.60)
Capital Expenditure on intangible assets	(5.13)	-
Sale of Fixed Assets	15.67	-
Recognisation of Right to use of assers	(196.60)	(260.51)
Disposal of Right to use of assets	108.45	58.27
Gain on Sale of Fixed Assets	10.20	-
Notional Gain on sale of Right to use of Assets	9.51	15.07
Loss on remeasurement of Right to use of Assets	(0.54)	0.54
Long - Term Loans & Advances	-	22.66
Other financial asset	(45.64)	(34.24)
	(200.77)	(249.79)
Net cash flow used in investing activities (B)	**(200.77)**	**(249.79)**
C. Cash flow from financing activities		
Proceeds from Issue of Share Capital	140.00	-
Proceeds from Security Premium	966.00	-
Amount Received Against Share Warrant	197.50	
Increase in long term Lease liability	13.45	169.80
Increase in other long-term Provisions	(2.01)	8.61
Net (increase) / decrease in working capital borrowings	20.44	359.08
Finance cost	(212.86)	(121.56)
Increase in long term borrowings	(235.49)	198.04
Net cash flow used in financing activities (C)	**887.05**	**613.97**
Net increase / (decrease) in Cash and cash equivalents (A-B-C)	326.19	7.28
Cash and cash equivalents at the beginning of the year	20.22	12.94
Effect of exchange differences on restatement of foreign currency Cash and cash		
Cash and cash equivalents at the end of the year	346.41	20.22
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 9)	346.41	20.22
Less: Bank balances not considered as Cash and cash equivalents as defined in IND AS 7 Cash Flow Statements (give details)		
Net Cash and cash equivalents (as defined in IND AS 7 Cash Flow Statements)	346.41	20.22
Add: Current investments considered as part of Cash and cash equivalents		

ASHOK HOLANI & CO. JAIPUR Chartered Accountants

* Comprises:		
(a) Cash on hand	7.23	8.78
(b) Cheques, drafts on hand		
(c) Balances with banks		
(i) In current accounts	339.18	11.44
(ii) In EEFC accounts		
(iii) In deposit accounts with original maturity of less than 3 months		
(iv) In earmarked accounts (give details)		
(d) Others (specify nature)		
Deposits		
(e) Current investments considered as part of Cash and cash equivalents		

FOR ASHOK HOLANI & CO
Chartered Accountants

DEEPAK KUMAR JANGID
PARTNER
M.NO. 447352
Jaipur

Date: 25-05-2023
UDIN: 23447352BGWXJ2I6863

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
NANDANI CREATION LIMITED

ANUJ MUNDHRA
(MANAGING DIRECTOR)
DIN 05202504

VANDANA MUNDHRA
(WHOLE TIME DIRECTOR)
DIN 05202403

DWARKA DASS MUNDHRA
(CHIEF FINANCIAL OFFICER)

GUNJAN JAIN
(COMPANY SECRETARY)

NANDANI CREATION LIMITED
CIN: L18101RJ2012PLC037976
STATEMENT OF CHANGE IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2023

A. Equity Share Capital

(Rs. in Lakhs)

Particulars	Number of Shares	Amount
As at March 31st, 2021	**10,033,950**	**1,003.40**
Changes in Equity Share Capital	-	-
Ast at March 31st, 2022	**10,033,950**	**1,003.40**
Changes in Equity Share Capital	1,400,000	140.00
Ast at March 31st, 2023	**11,433,950**	**1,143.40**

B. Other Equity

	Reserve and Surplus		Retained Earning	Other item of OCI	Equity sharewarrants	Total
	General Reserve	Securities Premium				
Balance as the end of the period as on March 31st, 2021	**5.00**	**126.00**	**341.82**	**0.46**	-	**473.28**
Total Comprehensive Income for the period	-	-	10.22	-	-	10.22
Transition Adjustment for the fair Value change of Investement	-	-	-	0.48	-	0.48
Ast at March 31st, 2022	**5.00**	**126.00**	**352.04**	**0.94**	-	**483.98**
Total Comprehensive Income for the period	-	-	10.99	-	-	10.99
Transition Adjustment for the fair Value change of Investement	-	-	-	5.22	-	5.22
Equity share warrants issued during the year	-	-	-	-	197.50	197.50
Securities Premium		966.00				966.00
Ast at March 31st, 2023	**5.00**	**1,092.00**	**363.03**	**6.17**	**197.50**	**1,663.70**

In terms of our report of even date
FOR ASHOK HOLANI & CO
Chartered Accountants

ASHOK HOLANI & CO. JAIPUR Chartered Accountants

DEEPAK KUMAR JANGID
PARTNER
M.NO. 447352
Jaipur

Date: 25-05-2023
UDIN: 23447352BGXJZ26863

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
NANDANI CREATION LIMITED

ANUJ MUNDHRA
MANAGING DIRECTOR
DIN 05202504

VANDANA MUNDHRA
WHOLE TIME DIRECTOR
DIN 05202403

DWARKA DASS MUNDHRA
(CHIEF FINANCIAL OFFICER)

GUNJAN JAIN
(COMPANY SECRETARY)

NANDANI CREATION LIMITED
Notes Forming part of Financial Statements

Notes 2.1 Property, Plant and Equipment

Particulars	Gross Carrying Amount				Depreciation/ Amortization				Net Carrying Amount	
	As at April 01st, 2022	Addition During the Year	Disposals/ Adjustments	Balance as at 31st Mar, 2023	As at April 01st, 2022	Depreciation / amortisation expense for the year	Disposals/ Adjustments	Balance as at 31st Mar, 2023	Balance as at 31st Mar, 2023	Balance as at 31st March, 2022
A. Tangible Assets										
(a) Plant and Equipment										
Owned	114.48	2.42	7.64	109.26	44.74	12.68	5.54	51.88	57.39	69.74
(b) Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-
Owned	82.79	20.01	-	102.80	47.52	11.99	-	59.51	43.29	35.27
(c) Office equipment	-	-	-	-	-	-	-	-	-	-
Owned	57.80	0.91	-	58.71	39.28	6.88	-	46.17	12.54	18.52
(d) Computer	-	-	-	-	-	-	-	-	-	-
Owned	20.82	1.61	-	22.43	19.27	0.96	-	20.22	2.21	1.55
(e) Vehciles	-	-	-	-	-	-	-	-	-	-
Owned	39.33	71.74	25.75	85.33	32.86	20.54	20.98	32.42	52.91	6.48
Total	**315.22**	**96.69**	**33.39**	**378.53**	**183.66**	**53.06**	**26.52**	**210.20**	**168.33**	**131.56**
B. Intangible Assets										
Software	6.23	5.13	-	11.36	2.91	0.71	-	3.62	7.74	3.32
Total B	**6.23**	**5.13**	**-**	**11.36**	**2.91**	**0.71**	**-**	**3.62**	**7.74**	**3.32**
Grand Total A+B	**321.45**	**101.82**	**33.39**	**389.88**	**186.57**	**53.77**	**26.52**	**213.82**	**176.07**	**134.88**

ASHOK HOLANI & CO. JAIPUR Chartered Accountants

NANDANI CREATION LIMITED
Notes Forming part of Financial Statements

Notes 2.2 Right to Use Assets

Particulars	As at April 01st, 2022	Addition During the Year	Disposals/ Adjustments	Depreciation	Balance as at 31st Mar, 2023
Building	305.63	196.60	117.26	70.90	314.07
Total	**305.63**	**196.60**	**117.26**	**70.90**	**314.07**



NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 3 Investments

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	`	`	`	`	`	`
A: Non Current Investments						
-						
(a) Investment in equity instruments						
(a) Desi Fusion India Pvt Ltd.499950 shares @ Rs 10/-each (Wholly owned Subsidiary Company)		50.00	50.00		50.00	50.00
(b) Investment in preference shares						
(c) Investment in debentures or bonds						
(d) Other investments						
Total - Non current investments	**-**	**50.00**	**50.00**	**-**	**50.00**	**50.00**
B: Current Investments						
(a) Other investments						
Sovering Gold Bond Scheme (Interest rate @2.5% every half year ended)	5.98	-	5.98	5.20		5.20
Less: Provision for diminution in value of investments						
Total - Current investments	**5.98**	**-**	**5.98**	**5.20**	**-**	**5.20**
Aggregate market value of listed and quoted investments	5.98			5.20		
Aggregate value of listed but not quoted investments						
Aggregate amount of unquoted investments	-	50.00		-	50.00	

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Note No. 4 Trade receivables (Non Current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables (Refer Note (1) below)		
Trade Receivable considered good- Secured		-
Trade Receivable considered good- UnSecured	4.46	39.93
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivables -Credit Impaired	-	-
Less: Provision for doubtful trade receivables	4.46	39.93
	4.46	39.93
Total	**4.46**	**39.93**

Note 4.1: Trade receivables include debts due from:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Directors		
Other officers of the Company		
Firms in which any director is a partner		
Private companies in which any director is a director or member		
	-	-

Note No. 5 Other Financial asset (Non Current)

Particulars	As at 31 March, 2023	As at 31 March, 2022
1. Security deposits	32.35	69.34
Less: Allowance for doubtful loans	-	-
2.Balances with government authorities	32.35	69.34
Unsecured, considered good	-	-
3. Balance with revenue authorities	-	-
(i)Tax Deducted at Source/Advance Tax	-	-
4. Prepaid expenses- Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)		-
5. Bank Deposits having more than 12 Months Maturity	5.75	-
Less: Allowance for doubtful loans		5.47
6. Others	5.75	5.47
Preferential allotment	82.36	-
		-
Total	**120.45**	**74.81**

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NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 4.2 Trade Receivable Agening schedule

Particulars	Outstanding for following periods from due date of payment					As at 31 March, 2023
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivable-considered good	606.78	73.72	1.06	-	3.40	684.95
(ii) Undisputed Trade Receivable-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivable-credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivable-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable-credit impaired	-	-	-	-	-	-
Total	**606.78**	**73.72**	**1.06**	**-**	**3.40**	**684.95**

Particulars	Outstanding for following periods from due date of payment					As at 31 March, 2022
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivable-considered good	669.62	51.12	37.16	-	0.73	758.64
(ii) Undisputed Trade Receivable-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivable-credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable-considered good	-	-	2.04	-	-	2.04
(v) Disputed Trade Receivable-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable-credit impaired	-	-	-	-	-	-
Total	**669.62**	**51.12**	**39.20**	**-**	**0.73**	**760.68**



NANDANI CREATION LIMITED
Notes Forming part of Financial Statements

Note no. 6 Deferred tax Assets (Net)

Component of Deferred Tax Asset	As at 31 March, 2023	As at 31 March, 2022
WDV as per income tax act	226.43	176.35
WDV as per company law	176.07	116.54
Difference in written down value as per Companies Act and Income Tax Act	**50.36**	**59.81**
Opening value of Investment at fair Value	5.20	4.67
Fair Value of Investment as per IND AS	5.98	5.20
Difference in value as per Companies Act and Income Tax Act	**(0.78)**	**(0.52)**
Value of Secured borrowing as opening balance GAAP restated	417.63	672.60
Value of Secured borrowing as per IND AS closing balance	416.48	661.86
Difference in value as per Companies Act and Income Tax Act	**1.16**	**10.75**
Value of lease Libility as per IND AS	377.17	342.83
Value of lease asset as per IND AS	314.07	305.63
Difference in lease assets and libility	**63.10**	**37.20**
Closing balance of provision for gratuity	19.93	-
Increase in Provision for Gratuity	**19.93**	**-**
Grand Total	**133.77**	**107.23**
Tax rate @ 25.168%	33.67	26.99
Opening balance DTA	26.99	19.18
(Increase)/Decrease	**6.68**	**7.81**

NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note No. 7 Inventories

Particulars	As at 31 March, 2023	As at 31 March, 2022
a) Raw Material	362.87	78.18
b) Finished Goods	1,557.47	1,359.47
c) Stock of Consumables and packing Material	-	1.82
d) Stock of WIP	143.60	-
Total	**2,063.95**	**1,439.48**

Note No. 7.1 Valuation of Inventories
Raw Materials have been valued at cost(FIFO) or net realizable value which ever is lower
Finished Goods have been lower of cost or net realizable Value

Note No. 8 Trade receivables

Particulars	As at 31 March, 2023	As at 31 March, 2022
Trade receivables (Refer Note (1) below)		
Trade Receivable considered good- Secured	-	-
Trade Receivable considered good- UnSecured	680.50	720.75
Trade Receivable which have significant increase in Credit Risk	-	-
Trade Receivables -Credit Impaired	-	-
	680.50	720.75
Less: Provision for doubtful trade receivables		
	680.50	720.75
Total	**680.50**	**720.75**

Note 8.1: Trade receivables include debts due from:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Directors		
Other officers of the Company		
Firms in which any director is a partner		
Private companies in which any director is a director or member		
	-	-

Note No. 9 Cash and cash equivalents

Particulars	As at 31 March, 2023	As at 31 March, 2022
(i) Cash on hand	7.23	8.78
(ii) Balances with Banks	-	-
(i) In current accounts	339.18	11.44
(ii) In EEFC accounts		
(iii) In deposit accounts with original maturity of less than 3 months		
(iv) In earmarked accounts (give details)		
(iii) Cheques on hand		
Total	**346.41**	**20.22**

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Note No. 10 Other Financial Asset

Particulars	As at 31 March, 2023	As at 31 March, 2022
1.Balances with government authorities		
Unsecured, considered good	380.34	319.00
	380.34	319.00
2. Balance with revenue authorities		
(i)Tax Deducted at Source/Advance Tax		
3. Prepaid expenses- Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	45.73	5.69
	45.73	5.69
4. Others (Advance recoverable in cash or Kind)		
Unsecured, considered good (Note. 10.1)	126.57	146.98
Doubtful	-	-
Less: Provision for other doubtful loans and advances	-	
	126.57	146.98
Total	**552.63**	**471.68**
Note. 10.1		
Considered good	126.57	146.98
Considered doubtful, provided:		
Loans to other body corporate		
Loans to related parties		

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Notes forming part of the financial statements

Note No. 11 Share capital

Particulars	As at 31 March,2023		As at 31 March,2022	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
(a) Authorised				
Equity shares of Rs.10/- each with voting rights	1,30,00,000	1,300.00	1,10,00,000	1,100.00
		-		-
(b) Issued		-		-
Equity shares of ` Rs.10/- each with voting rights	1,14,33,950	1,143.40	1,00,33,950	1,003.40
		-		-
(c) Subscribed and fully paid up		-		-
Equity shares of Rs.10/- each with voting rights	1,14,33,950	1,143.40	1,00,33,950	1,003.40
	1,14,33,950	1,143.40	1,00,33,950	1,003.40
Total	1,14,33,950	1,143.40	1,00,33,950	1,003.40

Refer Notes (i) to (iv) below

Note (i) Reconcilation of of number of Equity Share outstanding

Particulars	As at 31 March,2023		As at 31 March,2022	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
At the Beginning of the year	1,00,33,950	10,03,39,500	1,00,33,950	10,03,39,500
Add:Shares issued through allotment Bonus	-	-	-	-
Add:Shares issued through consideration other than cash	-		-	
Add: Share issued through Prefential allotment	14,00,000	1,40,00,000	-	-
Outstanding at the end of the period	1,14,33,950	11,43,39,500	1,00,33,950	10,03,39,500

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Note (ii) Shareholders holding more than 5% of the Equity share in the company

Name of the Shareholders	As at 31 March,2023		As at 31 March,2022	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Mr Anuj Mundra	32,58,125	325.81	37,22,225	372.22
Mrs Vandna Mundra	15,40,975	154.10	19,76,975	197.70
Mrs Sunita Devi Mundhra	10,03,250	100.33	11,97,250	119.73
		-		-
	58,02,350	580.24	68,96,450	689.65

Note (iii) Shareholding of Promoters

Name of Promoter	Number of shares	% of total shares	% Change during the year
Mr Anuj Mundra	32,58,125	28.50%	-12.47%
Mrs Vandna Mundra	15,40,975	13.48%	-22.05%
Mrs Sunita Devi Mundhra	10,03,250	8.77%	-16.20%

Note (iv) Buildup of Share Capital
A. Equity Share capital

Financial Year	Number of Shares alloted without payment being received in cash	Number of Share alloted via Bonus	No of Shares acquired under Buyback of Shares
2022-2023	-	-	-
2021-2022	-	-	-
2020-2021	18,00,000	-	-
2019-2020	8,60,000	44,24,370	-
2018-2019	-	-	-

Note (v) Rights, preferences and restrictions attached to the equity shares
The Equity of the company having par value of Rs.10/- per share, rank pari passu in all respects including voting rights and entitlement to dividend.

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Note no. 12 Other Equity

Particulars		Reserves and Surplus				
	Retained Earnings	General Reserve	Securities Premium	Other Reserve	Share Warrants	Total
Balance as at March 31, 2021	**342.28**	**5.00**	**126.00**	**-**	**-**	**473.28**
Add:Profit for the period	10.70					10.70
Add:Remeasurement gains/(losses) on defined benfit plan	-					-
Balance as at March 31, 2022	**352.98**	**5.00**	**126.00**	**-**		**483.98**
Add:Profit for the period	16.21					16.21
Equity share warrants issued during the year					197.50	197.50
Add: Equity share premium			966.00	-		966.00
Balance as at March 31, 2023	**369.20**	**5.00**	**1,092.00**	**-**	**197.50**	**1,663.70**

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Note No. 13 Long-term borrowings

Particulars	As at 31 March, 2023	As at 31 March, 2022
A. Term loans		
Secured		
a. From banks	-	-
1) HDFC Bank Limited	53.53	-
b. From other financial institutions	-	-
1) SIDBI	-	17.48
	-	-
Unsecured	-	-
a. From NBFC and other financial institutions (Refer note no. 13.2(i) for current maturity)	84.83	356.37
Total (A)	**138.37**	**373.85**
B. Loans and advances from related parties		
Unsecured Loan (Refer note no. 29)	-	-
Directors and Relatives		
Total (B)	-	-
C. Loans and Advances From Other Parties		
Others	-	-
Total (C)	-	-
Total (A+B+C)	**138.37**	**373.85**
D. Lease Laibilities (Refer note no. 13.2(ii) for current maturity)	338.06	324.61
Total (A+B+C+D)	**476.43**	**698.46**

Notes: 13.1
(i) Details of Long-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Loans repayable on demand from banks	53.53	-
Loans repayable on demand from other parties	84.83	373.85
Loans and advances from related parties	-	-
Other loans and advances		
Total	**138.37**	**373.85**

Note 13.2 Additional information to Secured/Unsecured long term borrowings

i) The long term portion of term loans are shown under long term borrowings and the current maturities of the long term borrowings are shown under the short term borrowings as per the disclosure requirements of the Division II of Schedule III.

ii) The long term portion of lease libility are shown under long term borrowings and the current maturities of the lease libility are shown under the other libilities as per the disclosure requirements of the Division II of Schedule III.

Note 13.3 Details of securities and Terms of repayment

I. Secured

(A). Term Loans

a). From Banks

1. HDFC Bank Limited

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Secured by hypothecation of Volvo car as specified in the schedule annexure to the loan agreement executed on 19.05.2022. The loan is repayable in 60 monthly installments is amount of Rs. 124,249/- and The period of maturity w.r.t balance sheet date is 50 months.

b) From other financial institutions

1. SIDBI

Company has taken loan amount of Rs. 40.00 Lakhs (Including Fixed Deposit amount of Rs. 5.00 lakhs) from SIDBI. Secured by hypothecation of all equipment, plants, machineries, and other assets of company acquired from the assistance sanctioned by SIDBI. The loan agreement executed on 29.06.2020 and repayemnt shall commence from 10.01.2021 with 54 monthly installments, for 53 months amount of Rs. 74,000 and for last month is Rs. 78,000. The period of maturity w.r.t balance sheet date is 29 months.

II. Unsecured

(A) From NBFC and other financial institutions

1. Aditya Birla Finance Limited

Company has taken Loan from Aditya Birla Finance Limited amounting of Rs. 75 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00% pa. The Loans is sanctioned for 36 months. The repayment shall commence from 05.09.2021 in 36 monthly insttalement of Rs. 2,67,396. The period of maturity w.r.t balance sheet date is 17 months.

2. Ambit Finvest Private Limited

Company has taken Loan from Ambit Finvest Private Limited amounting as for Rs. 25 Lakhs which is used to augment net working capital. The Loans carries ROI of 18.00%. The Loans is sanctioned for 12 months. The repayment shall commence from 05.03.2022 in 12 monthly insttalement of Rs. 2,29,200. The loan amount is fully paid during the previous year.

3. Axis Finance Limited

Company has taken Loan from Axis Finance Limited amounting as for Rs. 23.08 Lakhs which is used to augment net working capital. The Loans carries ROI of 15.65%. The Loans is sanctioned for 36 months. The repayment shall commence from 05.03.2022 in 36 monthly insttalement of Rs. 82,303. The period of maturity w.r.t balance sheet date is 23 months.

4. Clix Capital Services Private Limited

Company has taken Loan from Clix Capital Services Private Limited amounting as for Rs. 35.26 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00%. The Loans is sanctioned for 31 months with 4 months moratorium. The repayment shall commence from 02.01.2020 in 31 monthly insttalement of Rs. 171,345. The loan amount is fully paid during the previous year.

5. Fedbank Financial Services Limited

Company has taken Loan from Fedbank Financial Services Limited amounting as for Rs. 30.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00%. The Loans is sanctioned for 24 months. The repayment shall commence from 02.03.2022 in 24 monthly insttalement of Rs. 148,327. The period of maturity w.r.t balance sheet date is 11 months.

6. Growth Source Financial Technologies Private Limited

Company has taken Loan from Growth Source Financial Technologies Private Limited amounting as for Rs. 38.38 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00%. The Loans is sanctioned for 30 months. The repayment shall commence from 05.03.2022 in 30 monthly insttalement of Rs. 137,356. the loan amount fully paid during the previous year.

7. Hero Fincorp Limited

Company has taken Loan from Hero Fincorp Limited amounting as for Rs. 20.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00%. The Loans is sanctioned for 30 months. The repayment shall commence from 03.01.2020 in 30 monthly insttalement of Rs. 98,885. the loan amount fully paid during the previous year.

8. Hero Fincorp Limited

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Company has taken Loan from Hero Fincorp Limited amounting as for Rs. 25.30 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00%. The Loans is sanctioned for 36 months. The repayment shall commence from 03.03.2022 in 36 monthly insttalement of Rs. 90,184. The period of maturity w.r.t balance sheet date is 23 months.

9. ICICI Bank Limited

Company has taken Loan from ICICI Bank Limited amounting as for Rs. 50.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 16.00%. The Loans is sanctioned for 36 months. The repayment shall commence from 05.09.2021 in 36 monthly insttalement of Rs. 1,75,940. The loan amount fully paid during the previous year.

10. IDFC First Bank Limited

Company has taken Loan from IDFC First Bank Limited amounting as for Rs. 35.91 Lakhs which is used to augment net working capital. The Loans carries ROI of 16.50%. The Loans is sanctioned for 40 months. The repayment shall commence from 02.01.2020 in 40 monthly insttalement of Rs. 1,23,916. The period of maturity w.r.t balance sheet date is 1 month.

11. IDFC First Bank Limited

Company has taken Loan from IDFC First Bank Limited amounting as for Rs. 59.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 16.00%. The Loans is sanctioned for 36 months. The repayment shall commence from 02.03.2022 in 36 monthly insttalement of Rs. 2,07,427. The loan amount fully paid during the previous year.

12. Kotak Mahindra Bank Limited

Company has taken Loan from Kotak Mahindra Bank Limited amounting as for Rs. 40.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00%. The Loans is sanctioned for 24 months. The repayment shall commence from 10.02.2022 in 24 monthly insttalement of Rs. 1,97,193. The period of maturity w.r.t balance sheet date is 10 months.

13. Lendingkart Finance Limited

Company has taken Loan from Lendingkart Finance Limited amounting as for Rs. 50.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 15.00%. The Loans is sanctioned for 26 months. The repayment shall commence from 30.12.2019 in 26 monthly insttalement of Rs. 2,42,433. The loan amount fully paid during the previous year.

14. Magma Fincorp Limited

Company has taken Loan from Magma Fincorp Limited amounting as for Rs. 60.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00%. The Loans is sanctioned for 29 months. The repayment shall commence from 03.01.2020 in 29 monthly insttalement of Rs. 3,98,609. The loan amount fully paid during the previous year.

15. MAS Financial Services Limited

Company has taken Loan from MAS Financial Services Limited amounting as for Rs. 133.00 Lakhs including security deposits of Rs. 33.25 Lakhs. which is used to augment net working capital. The Loans carries ROI of 14.00%. The Loans is sanctioned for 36 months. The repayment shall commence from 02.03.2022 in 36 monthly insttalement of Rs. 4,54,562. The loan amount fully paid during the previous year.

16. Oxyzo Financial Services Private Limited

Company has taken Loan from Oxyzo Financial Services Private Limited amounting as for Rs. 75.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00%. The Loans is sanctioned for 24 months. The repayment shall commence from 05.03.2022 in 24 monthly insttalement of Rs. 3,70,817. The period of maturity w.r.t balance sheet date is 11 months.

17. Tata Capital Financial Services Limited

Company has taken Loan from Tata Capital Financial Services Limited amounting as for Rs. 25.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 16.50%. The Loans is sanctioned for 24 months. The repayment shall commence from 05.03.2022 in 24 monthly insttalement of Rs. 1,23,006. The loan amount fully paid during the previous year.

18. Tata Capital Financial Services Limited

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Company has taken Loan from Tata Capital Financial Services Limited amounting as for Rs. 36.99 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00%. The Loans is sanctioned for 43 months with 4 months moratorium (from 05.05.2020 to 05.08.2020). The repayment shall commence from 05.02.2020 in 43 monthly insttalement of Rs. 1,25,141. The period of maturity w.r.t balance sheet date is 5 months.

19. Unity Small Finance Bank Limited

Company has taken Loan from Unity Small Finance Bank Limited amounting as for Rs. 40.21 Lakhs which is used to augment net working capital. The Loans carries ROI of 18.00%. The Loans is sanctioned for 24 months. The repayment shall commence from 04.03.2022 in 24 monthly insttalement of Rs. 2,00,722. The period of maturity w.r.t balance sheet date is 11 months.

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Note No. 14 Trade Payable

Particulars	As at 31 March, 2023	As at 31 March, 2022
(I) Trade Payable		
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3.48	0.71
Total	**3.48**	**0.71**

Note No. 15 Non Current Provisions

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Provisions for Employee Benefits		
Provision for provident and other funds		
Provision for gratuity (refer Note (i) below)	16.27	18.28
Provision for ESI	-	-
Provision for compensated absences		
(b) Others		
Service Warranties	-	-
Statutory dues		
(i) Provision for Income tax	-	-
(ii) Provision for Salary and Wages	-	-
(iii) Provision for Audit Fees	-	-
(iv) Provision for legal & professional exp	-	-
(v) Provision for expenses	-	-
Total	**16.27**	**18.28**

Note (i). The company has done actuarial valuation of gratuity fund in accordance with AS-19 and the liability has been provided in the books as per actuarial valuation certificate.
The following table sets out the status of the Gratuity Scheme in respect of employees of the Company:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Projected Benefit Obligation	19.93	20.95
Funding Status	Unfunded	Unfunded
Fund Balance	N.A.	N.A.
Current Liability	3.66	2.67
Non-Current Liability	16.27	18.28

The actuarial assumptions used in accounting for the gratuity plan were as follows:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Demographic Assumption:		
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Retirement Age	60 Years	60 Years
Attrition Rate	5% at younger ages and reducing to 1% at older ages according to graduated scale	5% at younger ages and reducing to 1% at older ages according to graduated scale
Financial Assumption:		
Salary Escalation Rate	7% p.a.	7% p.a.
Discount Rate	6.80% p.a (Yield of Government Bond referenced on Valuation Date)	6.80% p.a (Yield of Government Bond referenced on Valuation Date)

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Note 16 Short-term borrowings

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Loans repayable on demand (refer note (i) below)		
From banks		
Secured	501.84	471.50
Unsecured	-	-
(b) Current maturities of long-term borrowing	278.11	288.00
Total	779.95	**759.51**

Notes:

(i) Details of security for the secured short-term borrowings:

Particulars	As at 31 March, 2023	As at 31 March, 2022
Loans repayable on demand from banks:		
a) Bank of Baroda CC A/c **Nature of Security:-** Primary secured by hypothecation over entire current assets and movable fixed assets of the company excluding equipment, plant, machines & other assets pf the borrower aquired from assistance sanctioned by SIDBI and HDFC Bank. Collateral secured by mortgage on property Flat No. 302, C - 6, kamal apartment, jai singh highway, bani park, jaipur owned by Anuj Munadhra and Vandana Mundhra and Flat No. 1015, mayfair heights, kardhani, govindpura kalwar road, jaipur and further secured by shares pledge of 13,39,100 own shares. The Applicable rate of interest on CC limit is 9.15% p.a. with monthly rest.	501.84	-
b) Bandhan Bank CC A/c **Nature of Security:-** Primary secured by hypothecation of stock & debtors of the company and personnel guarantee of all the directors of the company. Collateral secured by mortgage on property Flat No. 302, C -6, kamal apartment, jai singh highway, bani park, jaipur owned by Anuj Munadhra and Vandana Mundhra and Flat No. 1015, mayfair heights, kardhani, govindpura kalwar road, jaipur and further secured by shares (11,00,000 No. of shares pledged by Anuj Mundhara). The Applicable rate of interest on CC limit is 8.75% p.a. with monthly rest.	-	471.50
Total - from banks	**501.84**	**471.50**



NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note no. 17 Trade Payable

Particulars	As at 31 March, 2023	As at 31 March, 2022
(I) Trade Payable		
(a) Total outstanding dues of micro enterprises and small enterprises	36.65	182.96
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	123.02	90.84
Total	**159.67**	**273.79**
Grand Total	**159.67**	**273.79**

Note 17.1 There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises (MSME). During the years ended March 31, 2023 and March 31, 2022.

Note No. 18 Other liabilities

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Current maturities of finance lease obligation	39.10	18.22
(b) Revenue received in advance:	-	-
Advance received from customers	-	-
(c) Other payables	-	-
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Goods & Service Taxes etc.)	13.57	0.95
(ii) Payables on purchase of fixed assets	-	-
(iii) Contractually reimbursable expenses	-	-
(iv) Interest accrued on trade payables	-	-
(v) Interest accrued on others	-	-
(vi) Security Deposit	18.00	-
(vii) Advances from customers	0.89	5.62
Total	**71.56**	**24.80**



NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 18.3 "For the ageing schedule of Trade Payables

Particulars	Financial Year 2022-23				
	Outstanding for following periods from due date of payment				Total
	Less then 1 year	1-2 years	2-3 years	More then 3 years	
(i) MSME	36.65	-	-	-	36.65
(ii) Others	123.02	3.01	-	-	126.04
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	0.47	-	0.47

Particulars	Financial Year 2021-2022				
	Outstanding for following periods from due date of payment				Total
	Less then 1 year	1-2 years	2-3 years	More then 3 years	
(i) MSME	182.96	-	-	-	182.96
(ii) Others	90.84	0.24	-	-	91.08
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	0.47	-	-	0.47

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NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note No. 19 Current Provisions

Particulars	As at 31 March, 2023	As at 31 March, 2022
(a) Provisions for Employee Benefits		
Provision for provident and other funds		
Provision for gratuity	3.66	2.67
Provision for ESI		
Provision for compensated absences		
(b) Others		
Service Warranties		
Statutory dues		
(i) Provision for Salary and Wages	23.21	18.01
(ii) Provision for Audit Fees	4.40	4.00
(iii) Provision for expenses (Electricity payable and other payables)	2.43	1.96
Total	**33.71**	**26.63**



NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 20 Revenue from operations

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a)	Sale of products (Refer Note (i) below)	4,438.36	5,486.86
(b)	Sale of services (Refer Note (ii) below)	37.25	33.32
(c)	Other operating revenues (Refer Note (iii) below)	-	-
		4,475.61	5,520.18
	Less:		
(d)	Excise duty	-	-
	Total	**4,475.61**	**5,520.18**

Note	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(i)	**Sale of products comprises :**		
	a).Traded goods		
	Sale of products comprises :		
	a). Traded Goods		
	Fabrics	32.33	66.54
	Ladies Garments	683.85	1,280.49
	Masks, PPE KIT & other covid -19 equipments	1.00	0.00
	Consumables and others	11.00	51.58
	Total - Sale of traded goods	728.18	1,398.62
	b). Manufacture Goods		
	Ladies Garments	3,710.19	4,073.96
	Scrap	-	14.28
	Total - Sales of Manufactured Goods	3,710.19	4,088.25
	Total - Sale of traded and manufactured goods	**4,438.36**	**5,486.86**
(ii)	**Sale of services comprises :**		
	Designing and adminstration charges	29.00	24.00
	Postages and Courier	5.28	9.32
	Franchisee Fees	1.00	-
	Spotting and washing	1.97	-
	Total - Sale of services	37.25	33.32
(iii)	**Other operating revenues comprise:**		
	Other Miscellaneous Income	-	-
	Total - Other operating revenues	-	-



Notes forming part of the financial statements

Note 21 Other income

	Particulars	For the Year ended March 31, 2023	For the year ended 31st March, 2022
(a)	Interest income (Refer Note (i) below)	10.56	2.22
(b)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	39.18	28.63
	Total	**49.74**	**30.84**

Note	Particulars	For the Year ended March 31, 2023	For the year ended 31st March, 2022
(i)	Interest income comprises:		
	a. Financial assets mandatorily measured at fair value through profit or loss		
	—Interest from banks on:		
	Fixed deposits	1.96	0.69
	Interest on loans and advances	7.25	1.53
	b. Interest income on financial assets fair valued through other comprehensive income		
	— Non-convertible debentures	-	-
	c. Financial assets carried at amortised cost		
	— Tax free bonds and government bonds	-	-
	— Deposits with banks and others	-	-
	d. Other interest income		
	Interest from income tax refund	1.36	-
	Total - Interest income	**10.56**	**2.22**

Note	Particulars	For the Year ended March 31, 2023	For the year ended 31st March, 2022
(ii)	**Other non-operating income comprises:**		
	Other Income	8.43	13.56
	SPF Income	11.04	-
	Gain on sale of fixed assets	10.20	-
	Notional income on disposal of lease	9.51	15.07
	Total - Other non-operating income	**39.18**	**28.63**

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NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 22 Cost of material Consumed

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Opening Stock	78.18	85.57
Purchases	1,663.65	1,712.64
Total	1,741.84	1,798.21
Less: Sold During the year	-	
closing Stock	362.87	78.18
Cost of Material consumed	**1,378.96**	**1,720.03**
Material Consumed Comprises		
Fabric	27.96	25.19
Running Fabric	1,351.00	1,694.84
Total	**1,378.96**	**1,720.03**

Note 23 Purchase of traded goods

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Traded goods		
Fabrics	-	90.71
Garments	680.01	768.38
PPE KIT Material, Mask and N95 Mask	-	0.00
Other Miscellaneous item	-	18.31
Total	**680.01**	**877.40**

Note 24 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Inventories at the end of the year:		
A. Inventories at the end of the year: (As verified and certified by the management)		
Stock of WIP	143.60	-
Stock of Finished Goods	1,557.47	1,359.47
Total A	**1,701.07**	**1,359.47**
B. Inventories at the beginning of the year:		
Stock of Finished Goods	1,359.47	1,292.64
Total B	**1,359.47**	**1,292.64**
Net (increase) / decrease	**(341.60)**	**(66.83)**

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Notes forming part of the financial statements

Note 25 Employee benefits expense

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salary to Employees	163.00	146.84
Contribution to ESI and Provident Fund	7.05	5.24
Directors Remunaration	54.00	49.50
Gratuity Expenses	5.19	11.09
Total	**229.24**	**212.68**

Note 26 Finance costs

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest and finance charges on financial liabilities carried at amortised cost		
(a) Interest expense on:		
(i) Borrowings	149.02	81.73
(ii) Trade payables	-	-
(iii) Others (leased Assets)	49.90	30.07
Less : Amount Capitalised	-	-
Total Interest on financial liabilities carried at amortised cost		
(b) Other borrowing costs		
Loan Processing Fees	1.45	3.75
Bank Charges	12.50	6.00
Total Finance Cost	**212.86**	**121.56**



NANDANI CREATION LIMITED
Notes forming part of the financial statements

Note 27 Other expenses

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
(A)Direct Exps.		
Consumables	57.14	47.46
Job Work & Stiching Charges	580.01	621.14
Kurti Stickers	-	3.40
Packing Material	12.60	16.42
Power & Fuel	25.94	19.69
Discount on online Sale	0.00	0.02
Wages	82.52	163.74
Total	**758.21**	**871.87**
(B)Indirect Exps		
Business Promotion	69.77	14.80
Advertisement	317.58	199.61
Balance W/off	0.02	4.01
Commission & Brokerage	550.36	918.67
Donation	0.24	0.24
EDC charges	3.15	-
Frenchise Commission	29.40	20.83
Loss on Remeasurement of lease assets and liabilities	0.54	-
GST reversed / Surrendered	3.65	3.88
Insurance Exp	6.00	3.59
Interest on GST	8.11	0.56
Lab Testing	-	0.12
Legal and Professional Exp.	25.90	29.63
Main Board and NSE Listing Fees	-	0.18
Membership & Subscription	1.99	1.58
Miscellaneous expenses *	1.05	5.33
Office Expenses	11.42	2.10
Payment Gateway Charges	6.07	2.19
Payments to auditors (Refer Note (i) below)	5.82	5.74
Penalty & Interest	0.14	3.40
Photo Shoot Exp.	10.61	7.08
Postage and Courier Expenses	34.14	19.70
Printing and Stationery Expenses	3.53	2.42
Prior Period Expenses	-	0.88
Rent Expenses	5.33	5.30
Repair & Maintenance	16.67	10.55
ROC Fess	0.15	-
security deposit Forfeited	1.04	-
Security Guard Expenses	-	0.50
Shipping and handling Charges	284.84	398.67
Software Exp	15.72	9.13
Staff & Labour Welfare expenses	27.85	6.08
Sweeper and Cleaning charges	6.56	6.06
Technical Support Charges	-	4.92
Telephone and Mobile Expenses	3.65	3.62
Tendor Fees	-	0.26
Travelling Expenses	0.61	6.16
Website Charges	11.65	0.60
Written off Preferential allotment expenses	5.08	-
Total	**1,468.62**	**1,698.37**
Grand Total	**2,226.83**	**2,570.24**

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Notes forming part of the financial statements

Notes:27.1

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
(i) Payments to the auditors comprises (net of service tax input credit, where		
As auditors - Statutory and Tax audit	4.40	4.00
As auditors - other matters	1.42	1.74
Total	**5.82**	**5.74**

Note 28 Earning Per Share

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Basic & Diluted		
Net profit / (loss) for the year attributable to the equity shareholders	10.99	10.22
Weighted average number of equity shares	1,04,44,361	1,00,33,950
Par value per share	10.00	10.00
Earnings per share - Basic & diluted	0.11	0.10

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Notes forming part of the financial statements

Note 29 Related Party Transaction

A: Details of outstanding balance as at year end

Name of Party	Nature Of Relation	Nature of Transation	Amount Outstanding as on 31-03-23 payable / (receivable)	Amount of Transaction debited in 01-04-22 to 31-03-2023	Amount of Transaction credited in 01-04-22 to 31-03-2023	Amount Outstanding as on 31-03-22 payable / (receivable)
Anuj Mundhra	Managing Director	Unsecured Loan	-	57,94,296.74	58,32,627.56	(38,330.82)
		Oustanding director remuneration	2,12,688.22	30,27,311.78	32,40,000.00	-
Sunita Devi Mundhra	Director	Unsecured Loan	-	8,09,102.00	8,09,102.00	-
		Oustanding director remuneration	2,52,256.00	6,34,044.00	8,64,000.00	22,300.00
Vandana Mundhra	Director	Unsecured Loan	-	77,50,563.00	79,78,513.00	(2,27,950.00)
		Oustanding director remuneration	-	12,96,000.00	12,96,000.00	-
		Security deposit	(50,000.00)	-	-	(50,000.00)
Dwarka Das Mundhra	CFO	Unsecured Loan	-	18,11,555.00	18,32,455.18	(20,900.18)
		Outstanding Salary	-	4,09,062.16	4,09,062.16	-
Gunjan Jain	Compliance officer	Outstanding Salary	-	1,76,000.00	1,40,000.00	36,000.00
Desi Fusion India Private Limited	Wholly owend subsidiary	Advance to supplier	(1,08,08,005.42)	21,00,41,984.00	21,18,84,804.62	(1,26,50,826.04)

B: Details of transaction with related party during the year

Name of Party	Nature Of Relation	Nature of Transation	Amount
Anuj Mundhra	Managing Director	Director Remuneration	32,40,000.00
Vandana Mundhra	Whole time director	Director Remuneration	12,96,000.00
Sunita Devi Mundhra	Whole time director	Director Remuneration	8,64,000.00
Dwarka Das Mundhra	CFO	Salary	3,60,000.00
Gunjan Jain	Compliance Officer	Salary	6,90,000.00
Desi Fusion India Private Limited	Wholly owend subsidiary	Purchase of Goods	16,00,96,528.00
		Sale of service	28,00,000.00

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Note - 30 - Financial Instruments

1. Capital Management

The Company's capital management objectives are to ensure the company's ability to continue as a going concern, to provide an adequate return to share holders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet. Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company manages its capital on the basis of Net Debt to Equity Ratio which is Net Debt (Total Borrowings net of Cash and Cash Equivalents) divided by total equity.

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Total Borrowings	918.32	1,133.36
Less: Cash and Cash Equivalents	346.41	20.22
Net Debt (A)	**571.91**	**1,113.14**
Total Equity (B)	**2,807.09**	**1,487.38**
Capital Gearing Ratio (B/A)	**4.91**	**1.34**

The Company has complied with the covenants as per the terms and conditions of the major borrowing facilities throughout the Reporting Period.

2. Financial Risk Management - Objectives and Policies

The Company's financial liabilities mainly comprise the loans and borrowings in domestic currency, money related to capital expenditures, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets comprise mainly of investments, security deposits, cash and cash equivalents, other balances with banks, trade and other receivables that derive directly from its business operations.

The Company is exposed to the Market Risk, Credit Risk and Liquidity Risk from its financial instruments.
The Management of the Company has implemented a risk management system which is monitored by the Board of Directors of the Company. The general conditions for compliance with the requirements for proper and future-oriented risk management within the Company are set out in the risk management principles. These principles aim at encouraging all members of staff to responsibly deal with risks as well as supporting a sustained process to improve risk awareness. The guidelines on risk management specify risk management processes, compulsory limitations, and the application of financial instruments. The risk management system aims to identify, assess, mitigate the risks in order to minimize the potential adverse effect on the Company's financial performance.

A. Fair value measurement

Particulars	For the year ended 31st March, 2023		
	Amortised Cost	FVTPL	FVTOCI
Financial Assets- Non Current			
Investement in wholly owned subsidary*	50.00	-	-
Trade receivables	4.46	-	-
Loans	-	-	-
Other Financial Assets	120.45	-	-
Financial Assets- Current			
Investement in SSG gold bond	-	-	5.98
Trade receivables	680.50	-	-
Cash and Cash Equivalent	7.23	-	-
Other Bank Balances	339.18	-	-
Loans	-	-	-
Other Financial Assets	552.63	-	-
Total	**1,754.44**	**-**	**5.98**
Financial Liabilities- Non Current			
Borrowings	138.37	-	-
Lease Liabilities	338.06	-	-
Trade payables	3.48	-	-
Other Financial Liabilities	-	-	-
Financial Liabilities- Current			
Borrowings (including current maturities of non-current borrowings)	779.95	-	-
Trade payables	159.67	-	-
Other Financial Liabilities	-	-	-
Total	**939.62**	**-**	**-**

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Particulars	For the year ended 31st March, 2022		
	Amortised Cost	FVTPL	FVTOCI
Financial Assets- Non Current			
Investement in wholly owned subsidary*	50.00	-	-
Trade receivables	39.93	-	-
Loans	-	-	-
Other Financial Assets	74.81	-	-
Financial Assets- Current			
Investement in SSG gold bond	-	-	5.20
Trade receivables	720.75	-	-
Cash and Cash Equivalent	8.78	-	-
Other Bank Balances	11.44	-	-
Loans	-	-	-
Other Financial Assets	471.68	-	-
Total	1,377.38	-	5.20
Financial Liabilities- Non Current			
Borrowings	373.85	-	-
Lease Liabilities	324.61	-	-
Trade payables	0.71	-	-
Other Financial Liabilities	-	-	-
Financial Liabilities- Current			
Borrowings (including current maturities of non-current borrowings)	759.51	-	-
Trade payables	273.79	-	-
Other Financial Liabilities	-	-	-
Total	1,033.30	-	-

(*) Investment in subsidiaries are measured at cost as per Ind AS 27, "Separate financial statements", and hence not presented here.

B. **Market Risk**

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. There are no material market risk affecting the financial position of the Company.

(a) Interest Rate Risk

Interest risk is the risk or uncertainty arising from possible interest rate movements and their impact on the future obligations or cash flows of a business. There are no material interest risk affecting the financial position of the Company.

(b) Currency Risk

Interest risk is the risk or uncertainty arising from possible interest rate movements and their impact on the future obligations or cash flows of a business. There are no material interest risk affecting the financial position of the Company.

(c) Other Price Risk

Other Price Risk is the Risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Company is exposed to price risk arising mainly from investments in equity/equity-oriented instruments recognized at FVTPL/FVTOCI.

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Investments (FVTPL)	-	-
Investments (FVTOCI)	-	-

C. **Credit Risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and other Financial assets measured at amortized cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk, (ii) Moderate credit risk, (iii) High credit risk.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

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Financial assets (other than trade receivables) that expose the entity to credit risk are managed and categorized as follows:

Basis of categorisation	Asset class exposed to credit	Provision for expected credit loss
Low credit risk	Cash and cash Equivalents, other bank balances, loans and other financial assets	12 month expected credit loss.
Moderate credit risk	other financial assets	12 month expected credit loss, unless credit
High credit risk	other financial assets	Life time expected credit loss (when there is

Financial assets (other than trade receivables) that expose the entity to credit risk (Gross exposure): -

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Low Credit Risk		
Cash and cash equivalents	7.23	8.78
Bank Balances other than above	339.18	11.44
Loans	-	-
Other Financial Assets	552.63	471.68
Moderate/ High Credit Risk	-	-
Total	899.04	491.90

(i) **Cash and cash equivalent and bank balance:**
Credit risk related to cash and cash equivalents and bank balance is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

(ii) **Loans and Other financial assets measured at amortized cost:**
Other financial assets measured at amortized cost includes Security Deposit to various authorities , Loans to staff and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

(iii) **Trade receivables:**
Life time expected credit loss is provided for trade receivables. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions. Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss.

(A) Expected credit losses:
Expected credit loss for trade receivables under simplified approach:
The Company recognizes lifetime expected credit losses on trade receivables & other financial assets using a simplified approach, wherein Company has defined percentage of provision by analyzing historical trend of default based on the criteria defined below and such provision percentage determined have been considered to recognize life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for). Further, the Company has evaluated recovery of receivables on a case to case basis. No provision on account of expected credit loss model has been considered for related party balances. The Company computes credit loss allowance based on provision matrix. The provision matrix is prepared on historically observed default rate over the expected life of trade receivable and is adjusted for forward - looking estimate. The provision matrix at the end of reporting period is as follows:

Particulars	Expected Loss Rate
All Receivables excluding Related Parties	0.50%

Movement in Expected Credit Loss Allowance on Trade Receivables	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning of the reporting period	-	-
Loss Allowance measured at lifetime expected credit losses	-	-
Balance at the end of reporting period	-	-



D. Liquidity Risk

Liquidity Risk is the risk that the Company will encounter difficulty in raising the funds to meet the commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Financing arrangements:

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
- Cash credit limit	501.84	471.50



Note 31. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March, 2023
Contingent liabilities	
a) Claims against the Company not acknowledged as debt	
1. The Income Tax Department has raised demands in regard to tax deducted at source for non-compliances to the provision of the act that has been verified from TRACES are as follows:	8.48
b). Guarantees excluding financial guarantees	
1. The Company has been provided corporate guarantee for cash credit loan from Axis Bank limited for its subsidiaries i.e. Desi Fusion India Private Limited Amount of Rs. 120 lakhs.	120.00
2. The Company has been provided bank guarantee to ESIC PGIMSR Medical Collage & Model Hospital from Bank of India for EPBG.	0.25
c). Others money for which the company is contingently liable	-
Commitments	
a). Estimated amount of contracts remaining to be executed on capital account and not provided for	-
b). Uncalled liability on shares and other investments partly paid	-
c). Other commitments	-

Financial Year	Amount
2021-22	1.71
2022-23	6.77

Additional Regulatory Information as per Schedule II of The Companies Act,2013

1. The company does not own any immovable property.

2. The Company does not have any investment property; hence company has not required to disclose whether investment property is valued at fair value is based on the valuation by a Registered valuer as defined rule 2 of the companies (Registered Valuers and Valuation) Rules 2017.

3. The Company has not revalued its Property, Plant and Equipment (including Right of use Assets), hence the company has not required to disclose whether the valuation is based on the valuation by a registered valuer as defined under rule 2 of the company (Registered Valuers and Valuation) Rules 2017.

4. The Company has not revalued its Intangible Assets; hence the company has not required to disclose whether the valuation is based on the valuation by a registered valuer as defined under rule 2 of the company (Registered Valuers and Valuation) Rules 2017.

5. **The disclosure of the Loans and Advances in the nature of the loans granted to promoters, directors, KMPs and the related parties (as defined in Companies Act, 2013) either severally or jointly with any other persons that are**

ASHOK HOLANI & CO. JAIPUR Chartered Accountants

a) Repayable on demand or
b) Without specifying any terms or period of repayments.

Type of Borrowers	Amount of loans and advances in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans.
Promoters	NIL	NIL
Directors	NIL	NIL
KMP's	NIL	NIL
Related Parties	NIL	NIL

6. There are no Capital Work in Progress as at Balance Sheet date.

7. There are no intangible assets under development as at Balance Sheet date.

8. Benami Property
No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transections (Prohibition) Act, 1988 (45 of 1988) and the rules thereunder

9. Returns and filing to Banks and financial institutions
The company has availed borrowings from banks and financial institutions on the basis of the security of its current assets. The quarterly returns and statements filed with them are in agreements with the books of accounts

10. Wilful Defaulters
The company is not declared as wilful defaulter by any bank or financial institutions or other lender

11. Relationship with struck of companies
The company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

12. Registration or satisfaction of charges with Registrar of Companies
There are no charges or satisfaction which are yet to be registered with Registrar of Companies beyond the statutory period.

13. Layers of the company
The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, The company have a subsidiary company i.e. Desi Fusion India Private Limited as at the balance sheet date.

14. Corporate Social Responsibility (CSR)
The Company has not been required to constitute CSR committee and to make expenses towards CSR activities as per the requirements of Section 135 of the Companies Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

15. Crypto Currency or Virtual Currency
The Company has not been traded or invested in Crypto Currency and Virtual Currency during the financial year.

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16. Financial Ratios

a) Current ratio (*Current Assets / Current Liabilities*)

Particulars	FY 2022-23	FY 2021-22
Current Assets	3649.46	2657.32
Current Liabilities (1)	1541.08	1802.19
Current ratio	**3.4927**	**2.4498**
% Change	42.57%	

Reasons for variation more than 25% -during the year majorly Inventories of the company has been increased by 624.46 lakhs as compared to previous financial year.
(1)Current Liabilities include short term borrowings availed by the Company and current maturities of long-term loans (including current maturities of lease liabilities).

b) Debt-Equity Ratio (*Debt / Equity*)

Particulars	FY 2022-23	FY 2021-22
Debt (2)	1295.48	1476.19
Net worth	2807.09	1487.38
Debt-Equity Ratio	**0.4615**	**0.9925**
% Change	(53.50)%	

Reasons for variation more than 25% -During the year company had allotted shares in preferential allotment and share warrants therefore Networth of the company are majorly increased by amount of Rs. 1303.50 lakhs.
(2) Debt includes long term borrowings, secured and unsecured, short-term borrowings availed by the Company and current maturities of long-term loans (including current maturities of lease liabilities).

c) Debt-Service Coverage Ratio (*Profit Before Tax + Depreciation + Interest on term loans / Total Loan instalments*)

Particulars	FY 2022-23	FY 2021-22
PBT + Dep + Interest	288.07	197.69
Loan Installments	886.44	282.33
Debt Service Coverage Ratio	**0.3250**	**0.7002**
% Change	(53.59%)	

Reasons for variation more than 25% -during the year company has been paid various unsecured loans as compared to previous year.

d) Return on Equity Ratio (*PAT / Net Worth*)

Particulars	FY 2022-23	FY 2021-22
PAT	16.21	10.70
Net worth	2807.09	1487.38
Return on Equity Ratio	**0.0058**	**0.0072**
% Change	(19.70%)	

Reasons for variation more than 25% - **NA**

e) Inventory Turnover Ratio (*Turnover / Inventory*)

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Particulars	FY 2022-23	FY 2021-22
Average Inventory	1751.71	1413.51
Turnover	4475.61	5520.18
Inventory Turnover Ratio	**2.1685**	**3.8348**
% Change	43.45%	

Reasons for variation more than 25% -during the year majorly Inventories of the company has been increased by 624.46 lakhs as compared to previous financial year.

f) Trade Receivables Turnover Ratio (*Turnover / Trade Receivables*)

Particulars	FY 2022-23	FY 2021-22
Average Trade Receivables	722.82	651.28
Turnover	4475.61	5520.18
Trade Receivables Turnover Ratio	**6.1919**	**8.4759**
% Change	(26.95%)	

Reasons for variation more than 25% -During the year turnover of the company has been reduced by amount of Rs. 1044.57 lakhs as compared to previous financial year.

g) Trade Payables Turnover Ratio (*Purchases / Trade payables*)

Particulars	FY 2022-23	FY 2021-22
Average Trade Payables	218.83	298.53
Purchases	2343.66	2590.04
Trade Payables Turnover Ratio	**10.7099**	**8.6759**
% change	23.44%	

Reasons for variation more than 25% - **NA**

h) Net Capital Turnover Ratio (*Turnover / Net worth*)

Particulars	FY 2022-23	FY 2021-22
Net worth	2807.09	1487.38
Turnover	4475.61	5520.18
Net Capital Turnover Ratio	**0.6272**	**0.2694**
% Change	132.78%	

Reasons for variation more than 25% -During the year company had allotted shares in preferential allotment and share warrants therefore Networth of the company are majorly increased by amount of Rs. 1303.50 lakhs

i) Net Profit Ratio (*PAT / Sales*)

Particulars	FY 2022-23	FY 2021-22
PAT	16.21	10.70
Sales	4475.61	5520.18
Net Profit Ratio	**0.36%**	**0.19%**
% change	86.91%	

Reasons for variation more than 25% - During the year turnover of the company has been reduced by amount of Rs. 1044.57 lakhs as compared to previous financial year.

j) Return on Capital Employed (*Profit after Tax / Net worth*)

ASHOK HOLANI & CO. JAIPUR Chartered Accountants

Particulars	FY 2022-23	FY 2021-22
Capital employed (3)	3600.73	2492.06
Profit after Tax	16.21	10.70
Return on capital employed	0.58%	0.72%
% Change	(19.70%)	

Reasons for variation more than 25% - **NA**

(3) Capital employed includes Net worth and long-term borrowings, secured and unsecured (including current maturities).

k) Return on Investments (*Profit After Tax + Interest on Term Loan / Net Worth + Long Term Debt*)

Particulars	FY 2022-23	FY 2021-22
PAT + Interest on Term Loan	165.23	92.43
Networth	2807.09	1487.38
Return on Investment	5.8862%	6.2146%
% Change	(5.27%)	

Reasons for variation more than 25% - **NA**

17. Compliance with approved schemes of arrangements

There is no scheme approved by competent authority as at balance sheet date.

18. Utilisation of Borrowed Funds and Share Premium

The company has not advanced or loaned or invested funds to any other persons or entities with the understanding that, that person/entity should invest in any other person or entity identified in any manner whatsoever by or on behalf of the company or provided any guarantee, security, or like to or on behalf of the company.

The company has not received any amount from any other persons/entity with the understanding, whether written or oral, that the company shall directly or indirectly invest in any other person or entity.



ASHOK HOLANI & CO.
CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on Standalone unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS
NANDANI CREATION LIMITED
JAIPUR

1. We have reviewed the accompanying statement of ***unaudited financial results of Nandani Creation Limited for the quarter and six months ended September 30, 2023***. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For ASHOK HOLANI & Co.
Chartered Accountants

(DEEPAK KUMAR JANGID)
PARTNER
M.NO.447352
UDIN 23447352BGXKAZ2783

ASHOK HOLANI & CO. JAIPUR Chartered Accountants

Place: Jaipur
Date: 14.11.2023

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Nandani Creation Limited

JAIPUR KURTI AMAIVA BY JAIPUR KURTI Desi Fusion

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER ENDED & HALF YEAR ENDED SEPTEMBER 30, 2023
STANDALONE INCOME AND EXPENDITURE FOR THE PERIOD SEPTEMBER 30, 2023

(₹ in Lakhs)

Sl. No.	Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Six Months ended September 30,		Year Ended March 31,
		2023	2023	2022	2023	2022	2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations	711.02	721.54	1,247.18	1,432.57	2,559.01	4,475.61
2	Other Income	6.90	23.41	11.19	30.31	19.08	49.74
3	**Total Income (1 + 2)**	**717.92**	**744.95**	**1,258.38**	**1,462.87**	**2,578.09**	**4,525.35**
4	**Expenses :**						
	a) Cost of materials consumed	197.45	140.07	471.95	337.52	839.51	1,378.96
	b) Purchase of Stock-in-Trade	350.39	258.19	128.33	608.59	243.68	680.01
	c) Change in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(274.71)	4.33	(98.89)	(270.38)	(167.23)	(341.60)
	d) Employee Benefit Expenses	91.07	63.72	56.79	154.79	113.56	229.24
	e) Finance Costs	42.36	65.44	50.38	107.81	107.63	212.86
	f) Depreciation and Amortisation Expenses	26.59	32.10	26.86	58.68	64.00	124.67
	g) Other Expenses	482.92	285.70	597.15	768.62	1,294.78	2,226.83
	Total Expenses	**916.08**	**849.55**	**1,232.56**	**1,765.63**	**2,495.92**	**4,510.97**
5	**Profit/(Loss) before an exceptional items and tax**	**(198.15)**	**(104.60)**	**25.81**	**(302.75)**	**82.17**	**14.38**
6	**Exceptional Items**	-	-	-	-	-	-
7	**Profit/(Loss) before Tax (6-7)**	**(198.15)**	**(104.60)**	**25.81**	**(302.75)**	**82.17**	**14.38**
8	**Tax Expense**						
	(a) Current Tax	-	-	1.16	-	18.61	18.27
	(b) Earlier Year Tax	-		-	-	-	(6.45)
	(c) Deferred Tax	(53.02)	(28.45)	7.13	(81.47)	7.40	(8.43)
	Total Tax Expense	(53.02)	(28.45)	8.29	(81.47)	26.01	3.39
9	**Net Profit for the period (5-6)**	**(145.14)**	**(76.15)**	**17.52**	**(221.29)**	**56.16**	**10.99**
10	**Other Comprehensive Income (OCI)**						
	Items that will not be reclassified to profit or loss						
	- Remeasurements of defined benefit plans	0.82	0.19	-	1.01	-	6.20
	- Income Tax relating to above	(0.21)	(0.05)	-	(0.25)	-	(1.56)
	Items that will be reclassified to profit or loss						
	Remeasurement of Investments	(0.09)	(0.18)	0.12	(0.27)	(0.03)	0.78
	- Income Tax relating to above	0.02	0.04	(0.03)	0.07	(0.03)	(0.20)
	Total Other Comprehensive Income for the period	**0.55**	**0.01**	**0.09**	**0.56**	**(0.06)**	**5.22**
11	**Total Comprehensive Income for the period (7+8)**	**(144.59)**	**(76.14)**	**17.61**	**(220.73)**	**56.10**	**16.21**
12	Paid up Equity Share capital (face value ₹ 10 each)	1,143.40	1,143.40	1,003.39	1,143.40	1,003.39	1,044.44
13	Other Equity						
14	Earnings per Share (not annualised for quarters) (Face value of ₹ 10/- each)						
	- Basic EPS (in ₹)	(1.27)	(0.67)	0.18	(1.93)	0.56	0.16
	- Diluted EPS (in ₹)	(1.27)	(0.67)	0.18	(1.93)	0.56	0.16
	See accompanying notes to the financial results						

FOR NANDANI CREATION LTD

Nandani Creation Limited JAIPUR

ANUJ MUNDHRA
CHAIRMAN & MANAGING DIRECTOR
DIN: 05202504

Place : Jaipur
Date : 14.11.2023

JAIPUR KURTI

Nandani Creation Limited

JAIPUR KURTI AMAIVA BY JAIPUR KURTI Desi Fusion

STANDALONE STATEMENT OF UNAUDITED ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2023

(₹ in Lakhs)

Particulars	As at 30 September, 2023	As at 31 March, 2023
A. ASSETS		
(1) NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	159.76	168.33
(b) Capital Work-in-Progress	-	-
(c) Other Intangible Assets	5.80	7.74
(d) Right to use assets	247.49	314.07
(e) Financial Assets		
(i) Investments	50.00	50.00
(ii) Trade Receivables	41.56	4.46
(iii) Loans		-
(iv) Other Financial Assets	55.49	38.09
(f) Deferred Tax Assets (Net)	114.94	33.67
(g) Other Non-current Assets	212.41	82.36
SubTotal Non Current Assets	**887.47**	**698.71**
(2) CURRENT ASSETS		
(a) Inventories	2,352.86	2,063.95
(b) Financial Assets		
(i) Investments	5.71	5.98
(ii) Trade Receivables	625.52	680.50
(iii) Cash and Cash Equivalents	21.99	7.23
(iv) Bank Balance other than (iii) above	8.75	339.18
(v) Other Financial Asset	807.67	552.63
(c) Other current assets	-	
SubTotal Current Assets	**3,822.50**	**3,649.46**
Total Assets (1+2)	**4,709.97**	**4,348.17**
EQUITY AND LIABILITIES		
(1) EQUITY		
(a) Equity Share capital	1,143.40	1,143.40
(b) Other Equity	1,442.97	1,663.70
Total Equity	**2,586.36**	**2,807.09**
(2) LIABILITIES		
(1) Non Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	321.58	138.37
(ia) Lease liabilities	301.39	338.06
(ii) Trade payables		
A. Total outstanding dues of micro enterprises and small enterprises	-	-
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	0.97	3.48
(iii) Other financial liabilities		-
(b) Provisions	18.52	16.27
(c) Deferred tax liabilities (net)		
(d) Other non current liabilities		
Sub Total Non Current Liabilities	**642.45**	**496.19**

JAIPUR KURTI

CIN No.: L18101RJ2012PLC037976

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(2) Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	871.14	779.95
(ii) Trade payables		
A. Total outstanding dues of micro enterprises and small enterprises	10.92	36.65
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	443.47	123.02
(iii) Other financial liabilities	-	-
(b) Other current liabilities	128.73	71.56
(c) Provisions	26.90	33.71
(d) Current tax liabilities (net)		-
Sub Total Current Liabilities	**1,481.16**	**1,044.89**
Total Liabilities (1+2)	**2,123.61**	**1,541.08**
Total Equity and Liabilities (1+2)	**4,709.97**	**4,348.17**

FOR NANDANI CREATION LIMITED

PLACE: JAIPUR
DATED: 14.11.2023

Nandani Creation Limited JAIPUR

ANUJ MUNDHRA
CHAIRMAN & MANAGING DIRECTOR
DIN: 05202504

JAIPUR KURTI

Nandani Creation Limited

JAIPUR KURTI AMAIVA BY JAIPUR KURTI Desi Fusion

UNAUDITED STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2023

(₹ in Lakhs)

Particulars	For The Period Ended 30 September,2023	For The Year Ended 31st March, 2023
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(302.75)	14.38
Adjustments for:		
Depreciation and amortisation of Property, Plant and Equipment	58.68	124.67
Gain on Sale of Fixed Assets	(1.61)	(10.20)
Notional Gain on sale of Right to use of Assets	(2.48)	(9.51)
Profit/ (Loss) on remeasurement of Right to use of Assets	-	0.54
Finance costs	107.81	212.86
Re-measurement gain/loss on routed through OCI	0.75	6.98
Operating profit / (loss) before working capital changes	**(139.60)**	**339.72**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Investment	0.27	(0.78)
Inventories	(288.92)	(624.46)
Trade receivables	17.87	75.73
Other Financial asset	(255.04)	(80.95)
Other non Current assets	(130.05)	(82.36)
Other non current financial asset	(17.40)	36.72
	(673.28)	**(676.11)**
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	292.20	(111.35)
Other financial liabilities	57.17	46.76
Other current liabilities	-	
Current tax liabilities	-	
Provisions	(6.81)	7.07
	342.56	(57.52)
Cash generated from operations	**(470.32)**	**(393.91)**
Net income tax (paid) / refunds	-	(11.82)
Net cash flow from operating activities (A)	**(470.32)**	**(405.73)**
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(18.27)	(96.69)
Capital Expenditure on intangible assets	(3.11)	(5.13)
Sale of Fixed Assets	6.17	15.67
Recognisation of Right to use of assets	-	(196.60)
Disposal of Right to use of assets	33.61	108.45
Gain on Sale of Fixed Assets	1.61	10.20
Notional Gain on sale of Right to use of Assets	2.48	9.51
Loss on remeasurement of Right to use of Assets	-	(0.54)
Long - Term Loans & Advances	-	-
	22.49	(155.13)
Net cash flow used in investing activities (B)	**22.49**	**(155.13)**
C. Cash flow from financing activities		
Proceeds from Issue of Share Capital	-	140.00
Proceeds from Security Premium	-	966.00
Amount Received Against Share Warrant	-	197.50
Increase in long term Lease liability	(36.67)	13.45
Increase in long-term borrowings	-	
Increase in other long-term Provisions	2.24	(2.01)
Net (increase) / decrease in working capital borrowings	91.19	20.44
Finance cost	(107.81)	(212.86)
Increase in long term borrowings	183.21	(235.49)
Increase in short term other financial liability		
Net cash flow used in financing activities (C)	**132.16**	**887.05**
Net increase / (decrease) in Cash and cash equivalents (A-B-C)	(315.67)	326.19
Cash and cash equivalents at the beginning of the year	346.41	20.22
Cash and cash equivalents at the end of the year	**30.74**	**346.41**

FOR NANDANI CREATION LIMITED

Nandani Creation Limited JAIPUR

ANUJ MUNDHRA
CHAIRMAN & MANAGING DIRECTOR
DIN: 05202504

PLACE: JAIPUR
DATED: 14.11.2023

CIN No.: L18101RJ2012PLC037976

ASHOK HOLANI & CO.
CHARTERED ACCOUNTANTS

Independent Auditor's Review Report On consolidated unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS
NANDANI CREATION LIMITED
JAIPUR

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of ***Nandani Creation Limited*** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the ***quarter ended September 30, 2023 and for the period from April 1st, 2023 to September 30, 2023 ("the Statement")***, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the Desi Fusion India Private Limited, wholly owned subsidiary company.

ASHOK HOLANI & CO. JAIPUR Chartered

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5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

FOR ASHOK HOLANI & CO.
CHARTERED ACCOUNTANTS

(DEEPAK KUMAR JANGID)
PARTNER
M.NO.447352
UDIN: 23447352BGXKBA4283

Place: Jaipur
Date : 14.11.2023

Nandani Creation Limited

JAIPUR KURTI AMAIVA BY JAIPUR KURTI Desi Fusion

Statement of Unaudited Consolidated Financial Results For The Quarter and Half Year Ended September 30, 2023

(₹ in Lakhs)

S. No.	Particulars	Quarter Ended			Six Months ended		Year Ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from Operations	958.42	754.18	1,410.52	1,712.60	2,871.48	4,888.19
2	Other Income	6.94	23.52	16.44	30.46	29.58	65.53
3	**Total Income (1 + 2)**	965.35	777.70	1,434.96	1,743.05	2,901.06	4,953.72
4	**Expenses :**						
	a) Cost of materials consumed	197.45	109.05	178.39	306.50	562.02	795.09
	b) Purchase of Stock-in-Trade	836.40	307.24	593.18	1,143.64	865.19	1,174.06
	c) Change in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	(512.40)	4.27	(192.50)	(508.13)	(391.87)	(151.64)
	d) Employee Benefit Expenses	97.59	71.94	61.80	169.53	123.10	254.20
	e) Finance Costs	49.13	72.06	60.99	121.19	130.45	256.18
	f) Depreciation and Amortisation Expenses	40.40	45.91	41.67	86.31	93.36	183.74
	g) Other Expenses	496.11	293.19	654.36	789.30	1,424.80	2,427.74
	Total Expenses	1,204.69	903.66	1,397.89	2,108.35	2,807.05	4,939.37
5	**Profit/(Loss) from operation before an exceptional and extraordinary items and tax (3-4)**	(239.33)	(125.96)	37.07	(365.29)	93.99	14.35
6	Exceptional Items	-	-	-	-	-	-
7	**Profit before tax (5-6)**	(239.33)	(125.96)	37.07	(365.29)	93.99	14.35
8	**Tax Expense**						
	(a) Current Tax	-	-	4.83	-	22.28	(24.86)
	(b) Earlier Year Tax	-	-	-	-	-	6.62
	(c) Deferred Tax	(64.79)	(35.52)	(4.60)	(100.31)	5.33	14.88
	Total Tax Expense	(64.79)	(35.52)	0.23	(100.31)	27.61	(3.36)
9	**Net Profit for the period / year (7-8)**	(174.54)	(90.44)	27.64	(264.98)	66.38	10.99
10	**Other Comprehensive Income (OCI)**						
	Items that will be reclassified to profit or loss						
	- Remeasurements of defined benefit plans	0.07	0.22	-	1.09	-	6.54
	- Income Tax relating to above	(0.22)	(0.06)	-	(0.28)	-	(1.65)
	Items that will not be reclassified to profit or loss						
	Remeasurement of Investments	0.23	0.26	0.37	0.49	0.42	1.27
	- Income Tax relating to above	(0.06)	(0.06)	(0.10)	(0.12)	(0.15)	(0.32)
	Total Other Comprehensive Income for the period / year	0.82	0.36	0.27	1.18	0.27	5.84
11	**Total Comprehensive Income for the period / year (11+12)**	(173.72)	(90.08)	27.91	(263.80)	66.65	16.03
12	Paid up Equity Share capital (face value ₹ 10 per share)	1,044.44	1,143.40	1,003.39	1,044.44	1,003.39	1,044.44
13	Other Equity			-			-
14	Earnings per Share (not annualised for quarters) (Face value of ₹ 10/- each)						
	- Basic EPS (in ₹)	(1.66)	(0.79)	0.28	(2.53)	0.66	0.16
	- Diluted EPS (in ₹)	(1.66)	(0.79)	0.28	(2.53)	0.66	0.16
	See accompanying notes to the financial results						

FOR NANDANI CREATION LIMITED

Nandani Creation Limited JAIPUR

ANUJ MUNDHRA
CHIARMAN & MANAGING DIRECTOR
DIN: 05202504

PLACE: JAIPUR
DATED: 14.11.2023

Nandani Creation Limited

JAIPUR KURTI AMAIVA BY JAIPUR KURTI Desi Fusion

Unaudited Consolidated Balance Sheet as at September 30, 2023

(₹ in Lakhs)

Particulars	As at 30 September, 2023	As at 31 March, 2023
A. ASSETS		
(1) NON-CURRENT ASSETS		
(a) Property, Plant and Equipment	183.91	196.69
(b) Capital Work-in-Progress	-	-
(c) Other Intangible Assets	6.21	8.17
(d) Right to use assets	350.32	440.29
(e) Financial Assets		
(i) Investments		
(ii) Trade Receivables	41.56	4.46
(iii) Loans	-	-
(iv) Other Financial Assets	62.52	45.13
(f) Deferred Tax Assets (Net)	142.64	42.73
(g) Other Non-current Assets	212.41	82.36
SubTotal Non Current Assets	**999.57**	**819.82**
(2) CURRENT ASSETS		
(a) Inventories	2,985.17	2,458.50
(b) Financial Assets		
(i) Investments	7.73	7.24
(ii) Trade Receivables	875.11	735.03
(iii) Cash and Cash Equivalents	24.51	11.87
(iv) Bank Balance other than (iii) above	8.75	339.18
(v) Other Financial Asset	828.44	449.37
SubTotal Current Assets	**4,729.71**	**4,001.18**
Total Assets (1+2)	**5,729.28**	**4,821.01**
EQUITY AND LIABILITIES		
(1) EQUITY		
(a) Equity Share capital	1,143.40	1,143.40
(b) Other Equity	1,492.43	1,756.25
(c) Non-controling interest	0.01	0.01
Total Equity	**2,635.84**	**2,899.65**
(2) LIABILITIES		
(1) Non Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	325.87	141.81
(ia) Lease liabilities	417.07	453.75
(ii) Trade payables		
A. Total outstanding dues of micro enterprises and small enterprises	-	-
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	0.97	3.48
(iii) Other financial liabilities		-
(b) Provisions	19.34	16.97
(c) Deferred tax liabilities (net)		
(d) Other non current liabilities		
Sub Total Non Current Liabilities	**763.25**	**616.01**

Nandani Creation Limited JAIPUR

(2) Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	964.66	843.07
(ii) Trade payables		
A. Total outstanding dues of micro enterprises and small enterprises	334.41	82.28
B. Total outstanding dues of creditors other than micro enterprises and small enterprises	839.50	230.35
(iii) Other financial liabilities	-	-
(b) Other current liabilities	153.50	105.28
(c) Provisions	31.03	38.00
(d) Current tax liabilities (net)	7.09	6.36
Sub Total Current Liabilities	**2,330.20**	**1,305.35**
Total Liabilities (1+2)	**3,093.44**	**1,921.36**
Total Equity and Liabilities (1+2)	**5,729.28**	**4,821.01**

FOR NANDANI CREATION LIMITED

Nandani Creation Limited JAIPUR

Place : JAIPUR
Date : 14.11.2023

ANUJ MUNDHRA
CHAIRMAN & MANAGING DIRECTOR
DIN: 05202504

JAIPUR KURTI

Nandani Creation Limited

JAIPUR KURTI AMAIVA BY JAIPUR KURTI Desi Fusion

Unaudited Consolidated Cash Flow Statement for the half year ended 30th September, 2023

(₹ in Lakhs)

Particulars	For The Period Ended 30th September,2023	For The Year Ended 31st March,2023
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(365.29)	14.34
Adjustments for:		
Exceptional Item		-
Depreci P	86.31	183.74
Finance costs	121.19	256.18
Profit on sale of fixed assets	(1.61)	(10.20)
Notional Gain in sale of Right to use of assets	(2.48)	(9.51)
Loss on remeasurment of right to use of assets	-	0.54
Re-measurement gain/loss on routed through OCI	1.58	7.81
Operating profit / (loss) before working capital changes	**(160.30)**	**442.90**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Investment	(0.49)	(1.27)
Inventories	(526.67)	(416.53)
Trade receivables	(177.19)	479.64
Other Financial asset	(379.07)	(99.05)
Other non Current assets	(130.05)	(82.36)
Other non current financial asset	(17.39)	37.52
	(1,230.86)	**(82.05)**
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	858.76	(583.00)
Other financial liabilities	-	-
Other current liabilities	48.22	58.52
Current tax liabilities	0.73	(2.53)
Provisions	(6.97)	7.09
	900.74	(519.92)
Cash generated from operations	**(490.42)**	**(159.07)**
Net income tax (paid) / refunds	-	(18.24)
Net cash flow from operating activities (A)	**(490.42)**	**(177.31)**
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(18.27)	(102.74)
Capital expenditure on intangible assets	(3.11)	(5.13)
Recognisation of right to use of assets	-	(302.27)
Proceeds from sale of Fixed Assets	6.17	15.67
Notional Gain in sale of Right to use of assets	2.48	9.51
gain on sale of fixed assets	1.61	10.20
Disposal of right to use assets	33.61	108.45
Loss on remeasurment of right to use of assets	-	(0.54)
	22.49	(266.85)
Net cash flow used in investing activities (B)	**22.49**	**(266.85)**
C. Cash flow from financing activities		
Proceeds from Issue of Share Capital	-	140.00
Proceeds from Security Premium	-	966.00
Amount Received Against Share Warrant	-	197.50
Increase in long term Lease liability	(36.67)	75.78
Increase in other long-term Provisions	2.38	(2.01)
Net (increase) / decrease in working capital borrowings	121.59	(53.07)
Finance cost	(121.19)	(256.18)
Increase in long term borrowings	184.05	(295.55)
Increase in other financial liability		-
Net cash flow used in financing activities (C)	**150.15**	**772.48**
Net increase / (decrease) in Cash and cash equivalents (A-B-C)	(317.78)	328.32
Cash and cash equivalents at the beginning of the year	351.05	22.73
Effect of exchange differences on restatement of foreign currency Cash and cash		
Cash and cash equivalents at the end of the year	33.27	351.05

FOR NANDANI CREATION LIMITED

Nandani Creation Limited JAIPUR

ANUJ MUNDHRA
CHAIRMAN & MANAGING DIRECTOR
DIN: 05202504

PLACE: JAIPUR
DATED: 14.11.2023

CIN No.: L18101RJ2012PLC037976

JAIPUR KURTI

Nandani Creation Limited

JAIPUR KURTI AMAIVA BY JAIPUR KURTI Desi Fusion

NOTES TO FINANCIAL RESULTS (CONSOLIDATED AND STANDALONE)

1. The above Un-audited Standalone & Consolidated Financial results for the quarter and half year ended 30th September, 2023 have been prepared by the Company in accordance with Regulation 33 of SEBI (listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and were reviewed by the Audit Committee and approved & taken on record by the Board of Directors at their respective Meeting held on Tuesday 14th November, 2023. The Results have been subjected to a "Limited Review" by the Statutory auditors – **M/s Ashok Holani & Co., Chartered Accountants, Jaipur** and they have issued an unmodified review report thereon.

2. These financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there-under and in terms of the Regulation 33 of the SEBI (LODR) Regulations, 2015, as modified by circular dated July 5, 2016.

3. The Company is engaged in Manufacturing and sale of Contemporary Indian wear for women like kurtis, kurtas, Suit-sets, different variety of bottom wears (palazzos, pants etc) , Top wears, Fusion wears, Lounge wears, Plus size garments etc. under the brand name **"Jaipur kurti", "Amaiva-By Jaipur Kurti" & Desi Fusion- By Jaipur Kurti"** which constitutes single business segment in terms of Accounting Standard 17 on Segment reporting. Accordingly, there are no other business segments to be reported under Accounting Standard-17. It is one of the few surviving brands, working harmoniously with multiple online platforms.

4. During the year under review, the Company has onboarded **Bollywood Actress "Madhuri Dixit"** as its brand ambassador to promote Company's brands **"Jaipur Kurti" and "Desi Fusion- by Jaipur Kurti"** through in-store visual branding (electronic and print) along with digital media advertisement.

5. The Company with its brand **"Jaipur Kurti"** launched its **Mobile Application on both android and IOS.** The Application will strengthen Company's proprietary sales channel network. The mobile application is built to provide real-time updates on new collections, special promotions and exclusive offers.

6. The company has opened **4 more retail stores** taking our **retail stores count to 10 in 7 cities.** The New stores were opened at **Gurugram, Kota, Ambikapur and Ghaziabad.** The expansion of our retail store network is an important milestones in our journey as the stores provide seeding of our offline presence in the respective regions and making relentless progress on our proprietary platform's D2C journey.

7. The Company has spent an amount of Rs. 99.31 lacs In the Promotion, Exhibition, Advertisement Marketing. These Expenses are included in the Expenses part of the Financial Results attached above.

8. Since, the Company has revamped its own e-commerce website www.jaipurkurti.com during the financial year and the amount spent towards the website marketing was Rs. 70.30 lacs appx. in the 2nd Qtr as compared to 61.62 lacs lacs appx. in the 1st Qtr. of the Financial year under review.

9. Having revamped and relaunched our website www.jaipurkurti.com , the company generated sales of **Rs. 85.27 lacs in 2nd Qtr as compared to Rs. 51.08 lacs in 1st Qtr taking its total contribution in sales to 9.20%** for the Half year ended on 30th September, 2023.

Nandani Creation Limited JAIPUR

Nandani Creation Limited

JAIPUR KURTI AMAIVA BY JAIPUR KURTI Desi Fusion

10. We have expanded our EBO networks (Both FOFO & COCO) to 6 in the 1st half of financial year 2023-24, the company generated sales of **Rs. 1.62 Crores in 2nd Qtr as compared to Rs.91.35 Lacs in 1st Qtr taking its total contribution in sales to 17.08%** for the Half year ended on 30th September, 2023.

11. The Company has one wholly-owned subsidiary company as on 30th September, 2023. Therefore, the Company has prepared both Un-audited Standalone and Consolidated Financial Results.

12. The Above Financial Results are available on companies website www.nandanicreation.com

13. Previous period figures of the company have been regrouped/re arranged wherever necessary to make them comparable with the reporting with current period.

Nandani Creation Limited JAIPUR

JAIPUR KURTI

STATEMENT OF FINANCIAL INDEBTNESS

The Company on a consolidated level has availed borrowings in the ordinary course of business. Set forth below is a brief summary of our aggregate outstanding borrowings as on January 31, 2024*:

(In lakhs)

Nature of Borrowing	Amount
Secured Borrowings	836.06
Unsecured Borrowings	560.60
Total	1,396.66

Details of Secured Borrowings:

(In lakhs)

Sr. No.	Category of Borrowing	Date of Sanction / Renewal	Amount Sanctioned (₹ In Lakhs)	Interest Rate and Security	Amount outstanding as on January 31, 2023 (₹ In Lakhs)
(i)	**Cash Credit**				
	- Bank of Baroda*	March 29, 2023	700.00	10.20% p.a.	664.11
	- Axis Bank^	November 04, 2023	120.00	9.50%p.a.	117.79
(ii)	**Credit Line**				
	- Axis Bank^	November 04, 2023	5.12	9.25%p.a.	3.18
(ii)	**Term Loan Cum Hypothecation**				
	- SIDBI	June 29, 2020	40.00	10.40% p.a.	8.91
(iii)	**Auto Loan**				
	- HDFC Bank	May 18, 2022	62.45	7.20% p.a.	44.07
	Total		**927.57**	**-**	**836.06**

*Availed by Nandani Creation Ltd ^Availed by Desi Fusion Pvt Ltd

Notes to secured borrowings:

Cash Credit:
Bank of Baroda

- **Primary Security:**
  Exclusive charge by way of Hypothecation over entire current assets and movable fixed assets of the company excluding equipment, plants, machineries & other assets of the borrower acquired from the assistance sanctioned by SIDBI & HDFC Bank.
- **Collateral Security:**
  - Equitable Mortgage of immovable property situated at Flat No. 302, 2nd floor, P No. C-6, Kamal Apartment, Sawai Jaisingh Highway, Banipark, Jaipur having Flat Built up Area 1611.00 Sq. Ft. belonging to Mr. Anuj Mundhra & Mrs. Vandana Mundhra.
  - Equitable Mortgage of immovable property situated at Flat No. 1015, 10th floor, Mayfair heights, P No. 3, Kardhani Scheme, Govindpura, Kalwar Road, and Jaipur having Flat Built up Area 1164.76 Sq. Ft. belonging to Mr. Anuj Mundhra.
  - Pledge of 13,39,100 own shares of Nandani Creation Limited
- **Personal Guarantee:** Anuj Mundhra, Vandana Mundhra, Sunita Devi Mundhra, Dwarka Das Mundhra

Axis Bank Limited

- **Primary Security**: Exclusive charge on the current assets (Both present and future) of Desi Fusion Private Limited.
- **Collateral Security:** Non-Applicable
- **Personal Guarantee:** Anuj Mundhra, Vandana Mundhra, Sunita Devi Mundhra, Dwarka Das Mundhra

Credit Line

Axis Bank Limited

- **Primary Security**: Exclusive charge on the current assets (Both present and future) of Desi Fusion Private Limited.
- **Collateral Security:** Non-Applicable
- **Personal Guarantee:** Anuj Mundhra, Vandana Mundhra, Sunita Devi Mundhra, Dwarka Das Mundhra

Term Loan Cum Hypothecation:

- **Assets Hypothecated:** All movable property pertaining to the project of the borrower as mentioned in the loan agreement. These include Mask Cutting Machine, Mask belt welding, Mask body welding, N95 mask bridge nose bar attaching machine, respirator hole making machine, stand for N95 mask, hot steam sealing machine for PPE.

Details of Unsecured Borrowings:

(In lakhs)

Sr. No.	Category of Borrowing	Amount Sanctioned (₹ In Lakhs)	Interest Rate	Amount outstanding as on January 31, 2024 (₹ In Lakhs)
(i)	**From Promoters**			
	- Anuj Mundhra	-	NIL	163.95
	- Vandana Mundhra	-	NIL	33.95
	- Sunita Devi Mundhra	-	NIL	3.64
	- Dwarka Das Mundhra	-	NIL	60.50
	Sub Total (A)	**-**	**-**	**262.04**
(ii)	**From Corporates**			
	- Aditya Birla Finance Co. Ltd.	75.00	16.50%	46.16
	- Axis Finance	23.08	15.65%	9.69
	- Cholamandal	35.00	16.50%	31.91
	- Clix Capital Services Ltd.	50.25	17.00%	31.01
	- Growth Source	30.00	16.50%	25.50
	- Hero Fincorp	25.30	17.00%	10.64
	- ICICI Bank	50.00	16.50%	47.11
	- Kisetsu Saison Finance	40.80	16.50%	34.89
	- Tata Capital Financial Services	30.00	16.50%	26.76
	- Unity Small Finance Bank	40.80	16.50%	34.89
	Sub Total (B)	**400.23**	**-**	**298.56**
	Total (A+B)	**-**	**-**	**560.60**

Notes to unsecured borrowings:

From Corporates:

- **Aditya Birla Finance Limited:**
  Company has taken Loan from Aditya Birla Finance Limited amounting as for Rs. 75 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00%. The Loans is sanctioned for 36 months. The repayment shall commence from September 05, 2021 in 36 monthly instalment of Rs. 2,67,396. Anuj Mundhra, Vandana Mundhra & Sunita Devi Mundhra are co-borrowers for this facility.

- **Axis Finance Limited:**
  Company has taken Loan from Axis Finance Limited amounting as for Rs. 23.08 Lakhs which is used to augment net working capital. The Loans carries ROI of 15.65%.The Loan is sanctioned for 36 months. There payment shall commence from March 05, 2022 in 36 monthly instalments of Rs. 82,303. Anuj Mundhra and Vandana Mundhra are co-borrowers for this facility.

- **Cholamandalam Investment and Finance Limited:** Company has taken Loan from Cholamandalam Investment and Finance Company amounting as for Rs. 35.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 16.50%.The Loan is sanctioned for 36 months. There payment shall commence from October 05, 2023 in 36 monthly instalments of Rs.1,23,916. Anuj Mundhra is the co-borrowers for this facility.

- **Clix Capital Services Ltd.:**
  Company has taken Loan from Clix Capital Services Private Limited amounting as for Rs. 50.25 Lakhs which is used to augment net working capital. The Loans carries ROI of 17.00%. The Loan is sanctioned for 36 months. There payment shall commence from October 02, 2022 in 36 monthly instalments of Rs.1,79,160. Anuj Mundhra and Vandana Mundhra are co-borrowers for this facility.

- **Hero Fincorp Limited:**
  Company has taken Loan from Hero Fincorp Limited amounting as for Rs. 25.30 Lakhs which is used to augment networking capital. The Loans carries ROI of 17.00%.The Loan is sanctioned for 36 months. The repayment shall commence from March 03, 2022 in 36 monthly instalments of Rs.90,184. Anuj Mundhra and Vandana Mundhra are co-borrowers for this facility.

- **ICICI Bank:**
  Company has taken Loan from ICICI Bank Limited amounting as for Rs. 50.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 16.00%. The Loans is sanctioned for 36 months. The repayment shall commence from September 05, 2021 in 36 monthly instalments of Rs.1,75,940.

- **Growth Source Financial Technologies Ltd.:**
  Company has taken Loan from Growth Source Financial Technologies ltd. (Protium) amounting as for Rs. 30.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 16.50%.The Loan is sanctioned for 18 months. There payment shall commence from November 05, 2023 in 18 monthly instalments of Rs.1,89,280. Anuj Mundhra, Sunita Devi Mundhra and Vandana Mundhra are co-borrowers for this facility.

- **Kisetsu Saison Finance Ltd.:**
  Company has taken Loan from Kisetsu Saison Finance (India) Private Limited amounting as for Rs. 40.80 Lakhs which is used to augment net working capital. The Loans carries ROI of 16.50%.The Loan is sanctioned for 24 months. There payment shall commence from October 03, 2023 in 24 monthly instalments of Rs. 2,00,746. Anuj Mundhra, and Vandana Mundhra are co-borrowers for this facility.

- **Unity Small Finance Bank:**
  Company has taken Loan from Unity Small Finance Bank Limited amounting as for Rs. 40.80 Lakhs which is used to augment net working capital. The Loans carries ROI of 16.50%. The Loan is sanctioned for 24 months. There payment shall commence from October 04, 2023 in 24 monthly instalments of Rs.2,00,746. Anuj Mundhra, Dwarka Das Mundhra, Sunita Devi Mundhra and Vandana Mundhra are co-borrowers for this facility.

- **Tata Capital Financial Services Limited:**
  Company has taken Loan from Tata Capital Financial Services Limited amounting as for Rs. 30.00 Lakhs which is used to augment net working capital. The Loans carries ROI of 16.50%. The Loan is sanctioned for 24 months. There payment shall commence from November 05, 2023 in 24 monthly instalments of Rs.1,47,607.

**As certified by statutory Auditors vide their certificate dated March 21, 2024, bearing UDIN: 24447352BKEZXG5371.*

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Limited Review Unaudited Financial Results and Audited Financial Information on the basis of consolidated financials*.

Accounting Ratios

(₹ in lakh except percentage data)

Particulars	As at and for	
	March 31,2023	March 31,2022
Earning per Equity Share		
a. Basic earnings per Equity Share	0.11	0.50
a. Diluted earnings per Equity Share	0.11	0.50
Return on Net worth	0.38%	3.15%
Net Asset Value per Equity Share	25.36	15.74
EBITDA	**388.73**	**288.32**

Particulars	As at and for	
	September 30, 2023 (Half Yearly)	September 30, 2022 (Half Yearly)
Earning per Equity Share		
a. Basic earnings per Equity Share	-2.32	0.66
a. Diluted earnings per Equity Share	-2.32	0.66
EBITDA	**-188.25**	**288.22**

The ratios have been computed as below:

Ratios	Computation
Basic and Diluted Earnings Per Share	Profit attributable to shareholder / Total number of weighted average number of shares
Return on Net Worth (%)	Profit for the Year / Net Worth
Net Asset Value per Share	Net Worth / Number of shares as at the end of the relevant period
EBITDA	Profit before tax + depreciation and amortization expenses and finance cost +share of profit from associates-other income

Calculation of earning per equity share

(₹ in lakhs except per share data)

Particulars	As at and for	
	March 31, 2023	March 31, 2022
Profit attributed for Equity Shareholders* (A)	10.98	49.78
Weighted average number of equity shares outstanding at the end of the period (B)	1,04,44,361	1,00,33,950
Basic and Diluted EPS (A)/(B)*10^5	0.11	0.50

* *Profit after tax before other comprehensive Income*

Particulars	As at and for	
	September 30, 2023 (Half Yearly)	September 30, 2022 (Half Yearly)
Profit attributed for Equity Shareholders* (A)	-264.8	66.37
Weighted average number of equity shares outstanding at the end of the period (B)	1,14,34,000	1,00,33,400
Basic and Diluted EPS (A)/(B)*10^5	-2.32	0.66

* *Profit after tax before other comprehensive Income*

Calculation of Return on Net Worth

(₹ in lakh except percentage data)

Particulars	As at and for	
	March 31,2023	March 31,2022
Profit / (Loss) after tax (A)	10.98	49.78
Networth (B)	2899.63	1579.30
Return on Net-Worth (A/B)	**0.38%**	**3.15%**

Particulars	As at and for	
	September 30, 2023 (Half Yearly)	September 30, 2022 (Half Yearly)
Profit / (Loss) after tax (A)	-264.98	66.38
Networth (B)	2635.83	1645.94
Return on Net-Worth (A/B)	**-10.05%**	**4.03%**

Calculation of Net Worth and Net Asset Value per Equity Share

(₹ in lakhs except per share data)

Particulars	As at and for	
	March 31,2023	March 31,2022
Equity Share Capital (A)	1143.40	1003.40
Other Equity (B)	1756.23	575.9
Net Worth (C) = (A+B)	2899.63	1579.30
No. of shares at the end of the relevant period (D)	1,14,33,950	1,00,33,950
Net Asset Value Per Share ((C*10^5)/D)	**25.36**	**15.74**

Particulars	As at and for	
	September 30, 2023 (Half Yearly)	September 30, 2022 (Half Yearly)
Equity Share Capital (A)	1143.4	1003.4
Other Equity (B)	1492.43	642.54
Net Worth (C) = (A+B)	2635.83	1645.94
No. of shares at the end of the relevant period (D)	1,14,34,000	1,00,33,400
Net Asset Value Per Share ((C*10^5)/D)	**23.05**	**16.40**

Calculation of EBITDA *(₹ in lakhs)*

Particulars	As at and for	
	March 31, 2023	March 31,2022
Profit Before Tax	14.34	68.55
Depreciation & Amortization	183.74	132.76
Finance Cost	256.18	155.14
Less: Other Income	65.53	68.13
EBITDA	**388.73**	**288.32**

Particulars	As at and for	
	September 30, 2023 (Half Yearly)	September 30, 2022 (Half Yearly)
Profit Before Tax	-365.29	93.99
Depreciation & Amortization	86.31	93.36
Finance Cost	121.19	130.45
Less: Other Income	30.46	29.58
EBITDA	**-188.25**	**288.22**

**As certified by Statutory Auditors vide their certificate dated March 21, 2024, bearing UDIN: 24447352BKEZWU2347.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the Fiscal ended March 31, 2023 and March 31, 2022 and our limited review unaudited financial results for the 6 months ended September 30, 2023 and September 30, 2022, included in this Letter of Offer. Our audited financial statements for Fiscal 2023 and Fiscal 2022, and our limited review unaudited financial results for the 6 months ended September 30, 2023 and September 30, 2022 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the audited financial statements and limited review unaudited financial results of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward - looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward - Looking Statements" on pages 19 and 15 respectively.

Our financial year ends on March 31 of each year, so all references to a particular "financial year" and "Fiscal" are to the twelve (12) month period ended March 31 of that year. References to the "Company", "we", "us" and "our" in this chapter refer to Nandani Creation Ltd.

Neither we, nor the BRLMs, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information.

OVERVIEW OF OUR BUSINESS

At Nandani Creation Ltd. we weave together the best of both ethnic and modern worlds, creating a vibrant tapestry of traditional and contemporary styles since 2012. We develop, design, source, market and sell a wide portfolio of Indian wear for women through multiple brands, namely our flagship brand, Jaipur Kurti, our Premium wear Brand Amaiva- By Jaipur Kurti, Jaipur Kurti Luxe and Desi Fusion. Our products are specifically tailored for the Indian Women consumer and our range of products offer distinct price points for our consumers. The testimony for our success is our loyal consumer base spanning domestic & international markets. Our brands are designed to cater woman's Indian wear needs, ranging from casual wear, occasion wear to office wear. We offer our customers well-designed and high-quality products. Jaipur Kurti was created to explore the varied dynamics of Indian ethnic wear, presenting this heritage to modern women at its widest range. We are specializing in traditional designs, culturally rich styles and ethnic wear for women.

We believe that conducting businesses in a fair, transparent & ethical manner is pivotal to building strong relationships. We believe in achieving excellence in everything all we do. We make sure each garment, we offer works as our Brand Ambassador.
Our products are available through a pan-India multichannel sales network that we have built over the years comprising of our exclusive brand outlets ("EBOs"), our own D2C website www.jaipurkurti.com and all the prominent E-Commerce players such as Myntra, Nykaa Fashion, Ajio, Tata Cliq, Amazon, Flipkart etc. we have also recently started building our multi-brand outlets ("MBOs") network by opening SIS Outlets in various cities of Uttar Pradesh such as Varanasi, Lucknow, Haridwar, Gorakhpur etc.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2023

To our knowledge and belief, no circumstances other than those disclosed in this letter of offer have arisen since the date of the last financial statements contained in this letter of offer which materially affect or is likely to affect, the trading and profitability of our company, or the value of our assets or our ability to pay material liabilities within the next 12 months

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND 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. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- The impact of COVID - 19 pandemic;
- Geo political factor across the globe.
- Factors affecting the retail industry;
- Factors affecting Apparels industry;
- Increasing competition in the sector;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Supply Chain risk, inability to manufacture and supply products on time
- High Inventory Days: Risk of liquidity, if sales projections are not met

SIGNIFICANT ACCOUNTING POLICIES

For disclosure of our Significant Accounting policies as at and for the year ended March 31, 2023, as required by Ind AS 1 and other applicable standards, see section titled "Financial Information" on page 94.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter "Financial Information" on page 94, there has been no change in accounting policies during the 6 months ended September 30, 2023 and during the Fiscal 2023.

SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth certain information with respect to our results of operations for the periods indicated on consolidated basis.

Amount in Rs. lakhs

Particulars	Six months ended on September 30, 2023		Six months ended on September 30, 2022	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	1,712.60	98.3%	2,871.48	99.0%
Other Income	30.46	1.7%	29.58	1.0%
Total Revenue	1,743.06	100.0%	2,901.06	100.0%
Cost of Goods Sold	942.01	54.0%	1,035.34	35.7%
Employee Benefit Expenses	169.53	9.7%	123.10	4.2%
Finance Costs	121.19	7.0%	130.45	4.5%
Depreciation and Amortization Expenses	86.31	5.0%	93.36	3.2%
Other Expenses	789.30	45.3%	1,424.80	49.1%
Total Expenses	2,108.34	121.0%	2,807.05	96.8%
Profit/(Loss) before tax	-365.28	-21.0%	94.01	3.2%
Net Tax Expenses	-100.31	-5.8%	27.61	1.0%
Profit/(Loss) after tax	-264.97	-15.2%	66.40	2.3%

OVERVIEW OF RESULTS OF OPERATION

On consolidated basis for 6 months ended September 30th, 2023, compared to 6 months ended September 30th, 2022

Total Revenue

Our total revenue for the 6 months ended September 30, 2023, was ₹1,743.06 lakhs as compared to ₹2,901.06 lakhs for the 6 months ended September 30, 2022, representing a decrease of 39.92 %. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the 6 months ended September 30, 2023, was ₹1,712.60 lakhs as compared to ₹2,871.48 lakhs for the 6 months ended September 30, 2022, representing a decrease of 40.36%. This was primarily due to overall slowdown in retail industry due to sluggish consumer demand and increased competition in our market.

Other Income

Other income for the 6 months ended September 30, 2023, was ₹30.46 lakhs as compared to ₹29.58 lakhs for the 6 months ended September 30, 2022, representing an increase of 2.97%. The increase is pertaining to other non-recurring income.

Total Expenses

Our total expenditure for the 6 months ended September 30, 2023, was ₹2,108.34 lakhs as compared to ₹ 2,807.05 lakhs for the 6 months ended September 30, 2022, representing a decrease of 24.89%. Total expenditure comprises of:

Cost of Goods Sold

The cost of goods sold or the 6 months ended September 30, 2023, was ₹942.01 lakhs as compared to ₹1,035.34 lakhs for the 6 months ended September 30, 2022, representing a decrease of 9.01%. This was primarily due to decrease in sales and softening of key raw material prices.

Employee Benefit Expenses

Employee benefit expense for the 6 months ended September 30, 2023, was ₹ 169.53 Lakhs as compared to ₹ 123.10 Lakhs for the 6 months ended September 30, 2022, representing an increase of 37.72%. This increase was primarily due to increase in salary and wages across the company and appointment of mainly due appointment of senior managerial person.

Finance Cost

Finance costs for the 6 months ended September 30, 2023, was ₹ 121.19 Lakhs as compared to ₹ 130.45 Lakhs for the 6 months ended September 30, 2022, representing a decrease of 7.10%. The decrease in the finance cost was due to reduction in total indebtedness

Depreciation and Amortization Expense

Depreciation and amortization expense for the 6 months ended September 30, 2023, was ₹ 86.31 Lakhs as compared to ₹ 93.36 Lakhs for the 6 months ended September 30, 2022, representing a decrease of 7.55%. The decrease is due to lower asset based as certain assets are depreciated on reducing balance method

Other Expenses

The other expenses for the 6 months ended September 30, 2023, was ₹ 789.30 Lakhs as compared to ₹ 1,424.80 Lakhs for the 6 months ended September 30, 2022, representing a decrease of 44.60%. This decrease is primarily attributable to decrease in sale as it includes expenses that are variable in nature and are incurred as a percentage of sales like Commission Charges, Shipping charges etc.

Profit/(Loss) Before Tax

The profit/(loss) before tax for the 6 months ended September 30, 2023, was ₹ (365.28) Lakhs as compared to ₹ 94.01 for the 6 months ended September 30, 2022, representing an decrease of 488.55%. The increase in losses was primarily on account of factors discussed above.

Tax Expenses

Tax expense for the 6 months ended September 30, 2023, was ₹ (100.31) Lakhs as compared to ₹ 27.61 Lakhs for the 6 months ended September 30, 2022, representing a decrease of 463.31%. The decrease in the tax expenses was due to deferred tax

Profit/(Loss) After Tax

The profit/(loss) after tax for the 6 months ended September 30, 2023, was ₹ (264.97) Lakhs as compared to ₹ 66.40 Lakhs for the 6 months ended September 30, 2022, representing an Decrease of 499.05%. This decrease in Profits was on account of the reasons discussed above.

Fiscal 2023 compared to Fiscal 2022

Amount in Rs. lakhs

Particulars	Fiscal 2023		Fiscal 2022	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Revenue from Operations	4,888.19	98.7%	6,267.93	98.9%
Other Income	65.53	1.3%	68.13	1.1%
Total Revenue	4,953.72	100.0%	6,336.06	100.0%
Cost of Goods Sold	1,817.51	36.7%	2,882.56	45.5%
Employee Benefit Expenses	254.20	5.1%	239.32	3.8%
Finance Costs	256.18	5.2%	155.14	2.4%
Depreciation and Amortization Expenses	183.74	3.7%	132.76	2.1%
Other Expenses	2,427.74	49.0%	2,857.74	45.1%
Total Expenses	**4,939.37**	**99.7%**	**6,267.52**	**98.9%**
Profit/(Loss) before tax	**14.35**	**0.3%**	**68.54**	**1.1%**
Net Tax Expenses	3.36	0.1%	-18.77	-0.3%
Profit/(Loss) after tax	**10.99**	**0.2%**	**49.77**	**0.8%**

OVERVIEW OF RESULTS OF OPERATION

On consolidated basis for the Fiscal 2023, compared to Fiscal 2022

Total Revenue

Our total revenue for the Fiscal 2023, was ₹ 4,953.72 lakhs as compared to ₹6,336.06 lakhs for the Fiscal 2022, representing a decrease of 21.82%. Total revenue comprises of:

Revenue from Operations

Our revenue from operations for the Fiscal 2023, was ₹ 4,888.19 Lakhs as compared to ₹ 6267.93 Lakhs for the Fiscal 2022, representing a decrease of 22.01%. This was primarily due to early offset of summers which is our core season and a slowdown in the retail and consumption space due to which we have to do heavy channel inventory destocking on discounted prices.

Other Income

Other income for the Fiscal 2023, was ₹ 65.53 Lakhs as compared to ₹ 68.13 Lakhs for the Fiscal 2022, representing a decrease of 3.82%. The decrease was pertaining to decrease in some non-recurring income.

Total Expenses

Our total expenditure for the Fiscal 2023, was ₹ 4,939.37 Lakhs as compared to ₹ 6,267.52 Lakhs for the Fiscal 2022, representing a decrease of 21.19%. Total expenditure comprises of:

Cost of Goods Sold

The cost of goods sold for the Fiscal 2023, was ₹ 1,817.51 Lakhs as compared to ₹ 2,882.56 Lakhs for the Fiscal 2022, representing decrease of 36.95%. This was due to decrease in revenue from operations.

Employee Benefit Expenses

Employee benefit expense for the Fiscal 2023 was ₹254.20 Lakhs as compared to ₹ 239.32 Lakhs for the Fiscal 2022, representing an increase of 6.62%. This increase was primarily due to increase in salary and wages across the company

Finance Cost

Finance costs for the Fiscal 2023, was ₹ 256.18 Lakhs as compared to ₹ 155.14 Lakhs for the Fiscal 2022, representing an increase of 65.13%. The increase in finance cost was due to increase in borrowing.

Depreciation and Amortization Expense

Depreciation and amortization expense for the Fiscal 2023, was ₹ 183.74 Lakhs as compared to ₹ 132.76 Lakhs for the Fiscal 2022, representing an increase of 38.40%. The increase was due to addition of vehicle and office equipment during the year.

Other Expenses

Other expenses for the Fiscal 2023, was ₹ 2,427.74 Lakhs as compared to ₹ 2,857.74 Lakhs for the Fiscal 2022, representing a decrease of 15.05%. This decrease is primarily attributable to decrease in sale as it includes expenses that are variable in nature and are incurred as a percentage of sales like Commission Charges, Shipping charges etc.

Profit/(Loss) Before Tax

The profit/(loss) before tax for the Fiscal 2023, was ₹ 14.35 Lakhs as compared to ₹ 68.54 Lakhs for the Fiscal 2022 representing a decrease of 79.06%. The decrease in profits was primarily on account of factors discussed above.

Tax Expenses

Tax expenses for the Fiscal 2023, was ₹ 3.36 Lakhs as compared to ₹ 18.77 Lakhs for the Fiscal 2023, representing a decrease of 117.90%. The decrease in the tax expenses was on account of decrease in business profit for the year.

Profit/(Loss) After Tax

The profit/(loss) after tax for the Fiscal 2023, was ₹ 10.99 Lakhs as compared to ₹ 49.77 Lakhs for the Fiscal 2022, representing a decrease of 77.92%. This decrease in profit after tax was on account of the reasons discussed above.

MATERIAL DEVELOPMENTS

Other than as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 181, there have not arisen, since the date of the Limited Reviewed Financial Results disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company and its Subsidiary is involved in certain legal proceedings from time to time, which are primarily in the nature of tax disputes, civil suits, and petitions pending before various authorities.

Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and its Subsidiary; (ii) material violations of statutory regulations by our Company and its Subsidiary; (iii) economic offences where proceedings have been initiated against our Company and its Subsidiary; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

*Any outstanding litigation involving our Company and its Subsidiary i.e., proceedings other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Draft Letter of Offer, if (i) the monetary claim involved in such proceedings is an amount exceeding 5% of Profit after Tax as per latest audited financial statement ("**Materiality Threshold**"), and/or (ii) is otherwise determined to be material in terms of the Materiality Policy.*

Pre-litigation notices received by our Company and its Subsidiary from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not been evaluated for materiality until such time our Company and its Subsidiary are impleaded as defendants in litigation proceedings before any judicial/ arbitral forum.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

Litigations involving our Company

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability

i. Criminal Litigations initiated against our Company:

Nil

ii. Criminal Litigations initiated by our Company:

Nil

B. Matters involving material violations of statutory regulations by our Company

As on the date of this Draft Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations by our Company.

C. Economic offences where proceedings have been initiated against our Company

As on the date of this Draft Letter of Offer, there are no economic offences initiated against our Company.

D. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters, which if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

i. Civil Litigations initiated against our Company:

Nil

ii. Civil Litigations initiated by our Company:

Nil

E. Tax Proceedings initiated against our Company

i. Direct Tax

a. Outstanding Tax Demand

Our Company has an outstanding tax demand amounting to ₹4,54,130 under section 143(1) of the Income Tax Act, 1961 for the assessment years 2018-19, 2019-20, and 2021-22.

b. TDS Outstanding Demand

The Company has an TDS demand amounting to ₹11,63,740 for financial years 2021-22, 2022-23 and 2023-24.

c. Litigation pending against authorities

Nil

ii. Indirect Tax:

Nil

Litigations involving our Subsidiary

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Subsidiary, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability

i. Criminal Litigations initiated against our Subsidiary:

Nil

ii. Criminal Litigations initiated by our Subsidiary:

Nil

B. Matters involving material violations of statutory regulations by our Subsidiary

As on the date of this Draft Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations by our Subsidiary.

C. Economic offences where proceedings have been initiated against our Subsidiary

As on the date of this Draft Letter of Offer, there are no economic offences initiated against our Subsidiary.

D. Other proceedings involving our Subsidiary which involve an amount exceeding the Materiality Threshold and other pending matters, which if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Subsidiary

i. Civil Litigations initiated against our Subsidiary:

Nil

ii. Civil Litigations initiated by our Subsidiary:

Nil

E. Tax Proceedings initiated against our Subsidiary

i. Direct Tax

a. Outstanding Tax Demand

Our Company has an outstanding tax demand amounting to ₹4,54,790 under section 143(1) of the Income Tax Act, 1961 for the assessment year 2020-21.

b. TDS Outstanding Demand

Our Company has an outstanding TDS Traces demand amounting to ₹13,290 for financial years 2022-23 and 2023-24.

c. Litigation pending against authorities

Nil

ii. Indirect Tax:

Our Company has an outstanding GST demand amounting to ₹9,49,258 for financial years 2017-18, 2018-19 and 2019-20.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations for carrying on its present business activities. Further, our obligation to obtain and renew such licenses, registrations, permits and approvals may arise periodically and applications for such approvals are made/will be made at the appropriate stage.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the Objects.

For further details, please see "***Objects of the Issue***" on page 47.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board, pursuant to its resolution dated January 10, 2024 and through a resolution passed through Postal ballot by Members on February 16, 2024, pursuant to Section 62(1)(a) of the Companies Act.

Our Board, in its meeting held on [●] has resolved to issue the Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹[●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹1,600 Lakhs. The Issue Price is ₹[●] per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

Our Company has received in-principle approval from NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to their letter dated [●]. Our Company will also make application to NSE to obtain its trading approval for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "***Terms of the Issue***" beginning on page 197.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our 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 Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoters are associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Association with Securities Market

We confirm that none of our Director(s) is associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers 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.

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.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on NSE. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. NSE is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements, and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last three years immediately preceding the date of filing of this Draft Letter of Offer with the SEBI.

2. The reports, statements and information referred to above are available on the websites of NSE.

3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and is not covered under the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, SRUJAN ALPHA CAPITAL ADVISORS LLP HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 23, 2024, WHICH READS AS FOLLOWS:

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Securities. The Lead Manager and its respective affiliates may engage in transactions with and perform services for our Company or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or affiliates, for which they have received and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Jaipur, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is NSE

Disclaimer Clause of the NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchange.

Selling Restrictions

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders in offshore transactions outside the United States in compliance with Regulation S to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares and/ or Rights Entitlements is permitted under laws of such jurisdictions.

Our Company will dispatch, in accordance with the SEBI ICDR Regulations, the Letter of Offer, the Abridged Letter of Offer and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this

Draft Letter of Offer or Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchange. In those circumstances, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and/ or Rights Entitlements and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Accordingly, the Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer or any offering materials or advertisements in connection with the Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the receipt of this Draft Letter of Offer nor any sale/ offer of Equity Shares and/ or the Rights Entitlements hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time, subsequent to this date or the date of such information. The contents of this Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager are making any representation to any offeree or purchaser of the Equity Shares or the Rights Entitlements regarding the legality of an investment in the Equity Shares and/ or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

Each person who exercises Rights Entitlement and subscribes for Equity Shares or excess Equity Shares, or who purchases Rights Entitlement or Equity Shares shall do so in accordance with the restrictions set out below.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER

MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS DRAFT LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS.

Listing

The Rights Equity Shares offered through the Letter of Offer are proposed to be listed on NSE. Our Company will apply to NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Consents

Consents in writing of (a) our Directors, the Registrar to the Issue, the Lead Manager, Legal Advisor to Issue, the Statutory Auditor and the Banker(s) to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer as required under Sections 26 and 32 of the Companies Act, 2013.

Our Company has received written consent dated January 09, 2024 from our Statutory Auditor, for inclusion of their report, on the Financial Information in this Draft Letter of Offer and to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated January 22, 2024 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since, the size of this Issue falls below the stipulated threshold, the Draft Letter of Offer was filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 03, 2011 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System

(SCORES) platform dated November 07, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints are received by our Company on a case-to-case basis, i.e. grievances are being received on the Company's email address and are typically disposed of in a timely manner from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 197. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

Bigshare Services Private Limited
Office No. 36-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Center, Mahakali Caves Road,
Andheri East, Mumbai-400093
Tel: +91 22-6263 8200
Fax No: +91 22-6263 8299
E-mail: rightsissue@bigshargonline.com
Investor Grievance ID: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Mosses Shirsat
SEBI Registration No.: INR000001385
Validity of Registration: Permanent

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Gunjan Jain is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

Telephone: +91 0141-4037596
E-mail: csgunjan.jain@jaipurkurti.com

Other Confirmations

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make an independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Please note that in accordance with the provisions of the SEBI ICDR Master Circular, all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents/ records confirming the legal and beneficial ownership of the securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the NSE and the terms and conditions as stipulated in the Allotment Advice.

Dispatch and availability of Issue Materials

In accordance with the SEBI ICDR Regulations, SEBI ICDR Master Circular and the ASBA Circulars, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard.

Investors can also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- Our Company at www.jaipurkurti.com / www.nandanicreation.com
- the Registrar to the Issue at www.bigshareonline.com
- the Lead Manager at www.srujanalpha.com
- the Stock Exchange at www.nseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company at www.jaipurkurti.com / www.nandanicreation.com

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as may be required.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer, the Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or the Abridged Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions ; (ii) does not include the relevant certifications set out in the Application Form, including that such person is submitting and/ or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements, including in the United States and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such Application Form.

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "***Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" beginning on page 200.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

a) *Facilities for Application in this Issue:*

ASBA facility
Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please refer to Paragraph titled "***Procedure for Application through the ASBA process***" beginning on page 208.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

b) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●] ISSUE – SUSPENSE ESCROW DEMAT ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (f) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (g) non-institutional equity shareholders in the United States.

c) *Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:*

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.bigshareonline.com). Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish their relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) along with the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI ICDR Master Circular, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

d) *Application for Additional Equity Shares*:

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "***Basis of Allotment***" beginning on page 221.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the Renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "***Procedure for Application through the ASBA process***" beginning on pages 208.

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company i.e. Bigshare Services Private Limited : www.bigshareonline.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable www.bigshareonline.com; and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders with Bigshare Services Private Limited : www.bigshareonline.com

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated January 10, 2024 have authorised this Issue under Section 62(1)(a) of the Companies Act, 2013.

This Draft Letter of Offer is approved by our Board pursuant to its resolution dated March 23, 2024. The Board has in their meeting held on [●] determined the Issue Price at [●] per Equity Share (including a premium of ₹[●] per Equity Share), the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date. Our Company has received in-principle approvals from NSE in accordance with Regulation 28 of the SEBI Listing Regulations

for listing of the Rights Equity Shares to be allotted in the Issue pursuant to letters dated [●]. The Board of Directors has in their meeting held on [●] approved the Letter of Offer. Our Company will also make applications to NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. The Issue Price is ₹[●] per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. For details, please refer to the section entitled "***Terms of the Issue***" beginning on page 197 of this Draft Letter of Offer.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form / in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company: www.jaipurkurti.com / www.nandanicreation.com

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date in dematerialised form only. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹[●] per Rights Equity Share in the Issue.

The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Issue Price is ₹[●] per Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹[●] per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for Additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (one) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. ***Application Forms with zero entitlement will be non-negotiable/non-renounceable.***

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and Memorandum

of Association and the Articles of Association provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI ICDR Master Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the Issue Opening Date. On the Issue Closing Date, the Depositories will suspend the ISIN of Rights Entitlements for transfer and once the Allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN no. [●] for Rights Entitlements so obtained will be permanently deactivated from the Depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: **INE696V01013** on NSE (Scrip Code: **JAIPURKURT**). The Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the NSE. Our Company has received in-principle approval from NSE through letter dated [●]. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalization of the Basis of Allotment. Our Company will apply to NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the NSE. Upon receipt of such listing and trading approvals, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time prescribed under the SEBI ICDR Regulations. The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by NSE, our Company shall within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, forthwith refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of fourth day, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law. For details of trading and listing of Rights Equity Shares, please refer to the heading "***Terms of Payment***" beginning on page 203.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, please refer to "***Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue***" beginning on page 44.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited/restricted by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 01, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI ICDR Master Circular and MCA General Circular No. 21/2020, our Company will send, through email and registered/speed post, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other Issue Material only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and a regional language daily newspaper in the place where our Registered Office is located.

This Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the NSE for making the same available on its websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "***Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" beginning on page 200.

Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please refer to "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 200 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form, as applicable, as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Prior to making an Application, such Investors should enable the internet banking of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details please refer to "*Grounds for Technical Rejection*" beginning on page 218 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please refer to "***Applications on Plain Paper under ASBA process***" beginning on page 211 of this Draft Letter of Offer.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each Eligible Equity Shareholders Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and other Issue Materials would also be available on the website of the Registrar to the Issue at www.bigshareonline.com and link of the same would also be available on the website of our Company at (www.jaipurkurti.com / www.nandanicreation.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholders will have the option to:

i. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
ii. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
iii. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
iv. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
v. renounce its Rights Entitlements in full.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 200.

Procedure for Application through the ASBA process

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in the Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "***Applications on Plain Paper under ASBA process***" beginning on page 211.

Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for Additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the NSE in the manner prescribed under the section titled "***Terms of the Issue***" beginning on page 197. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "***Basis of Allotment***" beginning on page 163.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("**OCBs**"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 08, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 03, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the "**On Market Renunciation**"); or (b) through an off–market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Our Company and the Lead Manager accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlement. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of NSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a Depository Participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their Depository Participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a

standing receipt instruction) has to issue a receipt instruction slip to their Depository Participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Lead Manager, NSE to provide requisite details.

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Nandani Creation Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹[●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the Applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they

appear in the records of the SCSB);

- Additionally, all such Applicants are deemed to have accepted the following:

"*I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

"*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the* type *subscribed for herein imposed by the jurisdiction of our residence.*

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We hereby make representations, warranties and agreements set forth herein.

I/We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, as applicable, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have

opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
(c) The remaining procedure for Application shall be same as set out in "***- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***" on page 200.
(d) In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM, AS APPLICABLE.

Last date for Application

The last date for submission of the duly filled in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "***Terms of the Issue - Basis of Allotment***" beginning on page 214 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 04, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Right Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI, or any other governmental authority in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application and send it to the Registrar. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

Note:

In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their e-mail addresses and upon its failure only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. This Draft Letter of Offer will be provided, only through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. Further, Application Forms will be made available at Registered Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with

FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders 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") Accounts, and Eligible Non-Resident Equity Shareholders 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 amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE REFER TO "*ALLOTMENT ADVICES/ REFUND ORDERS/UNBLOCKING OF ASBA ACCOUNTS*" BEGINNING ON PAGE 221 OF THIS DRAFT LETTER OF OFFER.

General instructions for Investors

a) Please read this Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
b) In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
c) Please read the instructions on the Application Form sent to you.
d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
e) Application should be made only through the ASBA facility.
f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "***Applications on Plain Paper under ASBA process***" beginning on page 211.
h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
j) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the NSE.
k) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Manager.
l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.

o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

q) All communication in connection with Application for the Rights Equity Shares, including any change in address, contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the Date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in address, contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective Depository Participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable.

r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

u) In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Additional general instructions for Investors in relation to making of an Application

a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

b) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "***Applications on Plain Paper under ASBA process***" beginning on page 211 of this Draft Letter of Offer.

c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the**

address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar or shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

d) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
e) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
f) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
g) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
h) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
i) Do not pay the Application Money in cash, by money order, pay order or postal order.
j) Do not submit multiple Applications.
k) No investment under the FDI route requiring government approval will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
l) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

a) Ensure that the Application Form and necessary details are filled in.
b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, the SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
d) Do not pay the Application Money in cash, by money order, pay order or postal order.
e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account
b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have

signed the same.

f) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
b) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
c) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
e) Do not submit Application Form using third party ASBA account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

a) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
c) Sending an Application to our Company, the Lead Manager, the Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

Account holder not signing the Application or declaration mentioned therein.

f) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
l) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; .
p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
q) Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).

r) Applicants not having the requisite approvals to make application in the Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

s) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

t) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

u) The Allotment Advice and the email intimating unblocking of ASBA Account would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

v) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms s are liable to be rejected.

Multiple Applications

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, please refer to "***Investment by Mutual Funds***" beginning on page 226 of this Draft Letter of Offer.

In cases where multiple Applications are submitted, including cases where an (a) Investor submits Application Forms along with a plain paper Application, or (b) multiple plain paper Applications, or (c) multiple applications through ASBA, such

Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications that may be submitted by any of the Promoters or members of the Promoter Group as described in "***Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue***" beginning on page 44 of this Draft Letter of Offer.

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Issue schedule

Last date for credit of Rights Entitlements	**[●]**
Issue Opening Date	[●]
Last date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Note: Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).
**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date*
***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*
Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, *i.e.*, [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, [●].

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

a. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

b. Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

c. Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

d. Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b)

and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis in consultation with the Designated Stock Exchange, as part of the Issue and will not be a preferential allotment.

e. Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

f. After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

a. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
b. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
c. The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders/ Unblocking of ASBA Accounts

Our Company will issue and send/dispatch Allotment Advice, refund intimations/instructions, if applicable or demat credit of securities and/or letters of regret, by e-mail or registered post or speed post, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment Advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds/unblocking of fund beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

a. **Unblocking amounts blocked using ASBA facility-** The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility**.**

b. **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

c. **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

d. **Direct Credit** – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

e. **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

f. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

g. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS

ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

a) Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated August 08, 2016.
b) Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated August 06, 2016.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's Depository Participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" beginning on page 200 of this Draft Letter of Offer.

Procedure for Applications by certain categories of Investors

Investment by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group 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 that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

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.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs, VCFs and FDI route

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will 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 will 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. 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.

Further, in accordance with Press Note 3 of 2020, the FDI Policy ("***Press Note***") has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the Press Note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and 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 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.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 05, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

ii. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

iii. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447. "

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or beforeT+1 day (T being the date of finalisation of Basis of Allotment)In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

a) All monies received out of the Issue shall be transferred to a separate bank account;
b) Details of all monies utilized out of the Issue referred to in clause (a) above shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
c) Details of all unutilized monies out of the Issue referred to in clause (a) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

a. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
b. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

c. The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
d. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
e. No further issue of securities shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription, etc. other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
f. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
g. Adequate arrangements shall be made to collect all ASBA Applications.
h. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
i. As on date our Company does not have any convertible debt instruments.
j. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
k. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum Subscription

The objects of the Issue involve (i) To augment the existing and incremental working capital requirement of our Company; (ii) Investment in our Subsidiary, Desi Fusion Private Limited (DFPL) for funding its Working Capital Requirement and; (iii) General corporate purposes

Our Promoters and member of our Promoter Group have, vide their letters dated March 20, 2024 ("Subscription Letters") undertaken to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company.

Further they would subscribe to, Additional Rights Equity Shares over and above the Rights Entitlements of the Promoter and Promoter Group including unsubscribed portion of the Issue, if any, subject to compliance with the minimum public shareholding
requirements, as prescribed under the SCRR and the SEBI Listing Regulations, Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws.

The additional subscription, if any, by our Promoters and members of our Promoter Group shall be made subject to such additional subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in SEBI Listing Regulations and SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls above this threshold, this Draft Letter of Offer has been filed with NSE and with SEBI.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, 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, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Investor Grievances, Communication and Important Links

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "***Risk Factors***" beginning on page 16 of this Draft Letter of Offer.

All enquiries in connection with this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "Nandani Creation Limited- Rights Issue" on the envelope to the Registrar at the following address:

BIGSHARE SERVICES PRIVATE LIMITED
Office No. 36-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Center, Mahakali Caves Road, Andheri East, Mumbai-400093
Tel: +91 22-6263 8200
Fax No.: +91 22-6263 8299
Contact Person: Mr. Mosses Shirsat
Email Id: rightsissue@bigshargonline.com
Website: www.bigshareonline.com
SEBI Registration Number: INR000001385

In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of
the Registrar. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is rightsissue@bigshargonline.com.

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com.
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company i.e. Bigshare Services Private Limited : www.bigshareonline.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable: www.bigshareonline.com; and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: www.bigshareonline.com.

The Issue will remain open for minimum period of 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (**FIFP**) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

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 a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 **(**"**FDI Policy 2020**"**)**, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the FIFP.

The transfer of shares between an Indian resident and a non-resident does not need prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA, and the transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been de-recognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non- institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including the exemption under Regulation S ("**Regulation S**") of the U.S. Securities Act.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors 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.

SECTION VIII- STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date or the material contracts shall be made available for inspection through online means. Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to info@jaipurkurti.com

I. Material Contracts for the Issue

i. Issue Agreement dated February 26, 2024 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed in relation to the Issue.
ii. Registrar Agreement dated February 27, 2024, entered into amongst our Company and the Registrar to the Issue.
iii. Escrow Agreement dated February 27, 2024 between our Company, the Registrar to the Issue, Lead Manager and Banker(s) to the Issue.

II. Material Documents

i. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
ii. Certificate of incorporation dated February 21, 2012.
iii. Fresh certificate of incorporation consequent to conversion of our Company from private limited to public limited and the change in its name from 'Nandani Creation Private Limited' to 'Nandani Creation Limited' dated August 12, 2016.
iv. Annual Reports of the Company for the financial years ended March 31, 2021, March 31, 2022, and March 31, 2023.
v. Resolution of the Board of Directors dated January 10, 2024 in relation to the Issue and through a resolution passed through Postal ballot by Members on February 16, 2024
vi. Resolution of the Board of Directors dated March 23, 2024 approving and adopting this Draft Letter of Offer.
vii. Resolution of the Board of Directors dated [●] in relation to the terms of the Issue including the Record Date, Issue Price and Rights Entitlement Ratio.
viii. The Audited Financial Statements and the audit reports issued by our Statutory Auditors thereon, dated May 25, 2023.
ix. The Limited Reviewed Financial Results dated November 11, 2023 for the six-month period ended September 30, 2023, included in this Draft Letter of Offer.
x. Consent of our Directors, Compliance Officer, Statutory Auditor, Lead Manager(s) the Registrar to the Issue, Banker(s) to the Company, the Legal Advisor to the Issue and Banker to the Issue for inclusion of their names in this Draft Letter of Offer in their respective capacities.
xi. Statement of Tax Benefits dated March 21, 2024 from the Statutory Auditor included in this Draft Letter of Offer.
xii. Consent letter dated March 04, 2024 from the Statutory Auditor for inclusion of their name as expert, as defined under Section 2(38) of the Companies Act, in this Draft Letter of Offer.
xiii. Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated August 08, 2016.
xiv. Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated August 06, 2016.
xv. Due Diligence Certificate dated March 23, 2024 issued by Lead Managers.
xvi. In-principle listing approvals dated [●], from the NSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer 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 relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

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Anuj Mundhra
(Chairman and Managing Director)

Date: March 23, 2024
Place: Jaipur

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Vandana Mundhra
(Whole-Time Director)

Date: March 23, 2024
Place: Jaipur

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

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Sunita Devi Mundhra
(Whole-Time Director)

Date: March 23, 2024
Place: Jaipur

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Neetesh Kabra
(Independent Director)

Date: March 23, 2024
Place: Jaipur

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

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Gagan Saboo
(Independent Director)

Date: March 23, 2024
Place: Jaipur

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Gaurav Jain
(Independent Director)

Date: March 23, 2024
Place: Jaipur

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:

Sd/-

_____

Gunjan Jain
(Company Secretary & Compliance Officer)

Date: March 23, 2024
Place: Jaipur

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Sd/-

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Dwarka Dass Mundhra
(Chief Financial Officer)

Date: March 23, 2024
Place: Jaipur