



## SHRENI SHARES LIMITED

Corporate Identity Number is U67190MH2009PLC195845

REGISTERED OFFICE	HEAD OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Office No. 102, 1 <sup>st</sup> Floor Sea Lord CHSL, 1/A,1/B, Ram Nagar, Borivali (West)- 400092 Mumbai, Maharashtra, India	Shop No. 8, Pranam CHS, Ground Floor, Near State Bank of India, Chikuwadi, Borivali (West) - 400092, Mumbai, Maharashtra, India	Varsha Sharma <i>Company Secretary and Compliance Officer</i>	Email: <a href="mailto:investor@shreni.in">investor@shreni.in</a> Telephone: 022-28088456/ 022-79648083	<a href="http://www.shreni.in">www.shreni.in</a>

## PROMOTERS OF OUR COMPANY: BHAVESH HIMMATLAL SHAH AND HITESH NATVARLAL PUNJANI

## DETAILS OF THE OFFER TO PUBLIC

Type	Fresh Offer Size	OFS Size	Total Offer Size	Eligibility 229(2) & share reservation among NII & RII
Fresh Issue and Offer for Sale	Up to 37,76,400 Equity Shares aggregating to ₹ [●] Lakhs	Up to 25,17,600 Equity Shares aggregating to ₹ [●] Lakhs	Up to 62,94,000 Equity Shares aggregating to ₹ [●] Lakhs	The Offer is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations. As the Company's post issue face value capital does not exceed ₹ 25.00 Crores.

## DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS

NAME	NO OF SHARES OFFERRED	WACA PER EQUITY SHARE (IN ₹)
Hitesh Natvarlal Punjani	Up to 12,00,000 Equity Shares	₹ 5.00 <sup>(1)</sup>
Nidhi Shah	Up to 13,17,600 Equity Shares	₹ 5.00 <sup>(1)</sup>

<sup>(1)</sup> As certified by M/s J D Shah Associates, Chartered Accountants, by way of their certificate dated June 13, 2023

## RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10/- each and the Offer Price is [●] times of the face value of the Equity Shares. The Offer Price (determined and justified by our Company and Selling Shareholders in consultation with the Lead Manager as stated in "Basis for Offer Price" on page 78 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 23 of this Draft Prospectus.

## ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly made by such Selling Shareholders in this Draft Prospectus solely in relation to itself and its respective portion of the Offered Shares, and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

## LISTING

The Equity Shares offered through the Draft Prospectus are proposed to be listed on the SME Platform of BSE i.e., BSE SME. Our Company has received 'in-principle' approval from the BSE for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Offer, the Designated Stock Exchange shall be BSE.

## LEAD MANAGER TO THE OFFER

Name and Logo	Contact Person	Email & Telephone
 <b>ARYAMAN FINANCIAL SERVICES LIMITED</b>	Vatsal Ganatra/Varsha Gandhi	E-mail: <a href="mailto:ipo@afsl.co.in">ipo@afsl.co.in</a> Telephone: +91 – 22 – 6216 6999

## REGISTRAR TO THE OFFER

 <b>BIGSHARE SERVICES PRIVATE LTD</b>	Mr. Vinayak Morbale	E-mail: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Telephone: 022 – 6263 8200
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## OFFER PROGRAMME

OFFER OPENS ON: [●]	OFFER CLOSES ON: [●]
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## SHRENI SHARES LIMITED

Our Company was originally incorporated as 'Shreni Shares Private Limited' as a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated September 17, 2009 issued by the Registrar of Companies, Mumbai, Maharashtra. The status of the Company was changed to public limited and the name of our Company was changed to 'Shreni Shares Limited' vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on May 11, 2023. The fresh certificate of incorporation dated May 26, 2023 was issued to our Company by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U67190MH2009PLC195845. For further details, please refer to section titled 'History and Certain Corporate Matters' on page 108 of this Draft Prospectus.

**Registered Office:** Office No. 102, 1<sup>st</sup> Floor Sea Lord CHSL, 1/A, 1/B, Ram Nagar, Borivali (West)- 400092 Mumbai, Maharashtra, India

**Head Office:** Shop No. 8, Pranam CHS, Ground Floor, Near State Bank of India, Chikwadi, Borivali (West) - 400092, Mumbai, Maharashtra, India

Tel: 022-79648083/022-28088456; E-mail: [investor@shreni.in](mailto:investor@shreni.in); Website: [www.shreni.in](http://www.shreni.in)

**Contact Person:** Varsha Sharma, Company Secretary and Compliance Officer

### OUR PROMOTERS: BHAVESH HIMMATLAL SHAH AND HITESH NATVARLAL PUNJANI

INITIAL PUBLIC OFFERING OF UP TO 62,94,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF SHRENI SHARES LIMITED ("SHRENI" OR "OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ [●] LAKHS COMPRISING OF FRESH OFFER OF UP TO 37,76,400 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS ("FRESH OFFER") AND AN OFFER FOR SALE OF UP TO 25,17,600 EQUITY SHARES BY HITESH NATVARLAL PUNJANI AND NIDHI SHAH ("SELLING SHAREHOLDERS") AGGREGATING TO ₹ [●] LAKHS ("OFFER FOR SALE") ("THE OFFER") OF WHICH UP TO 3,18,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKETMAKER RESERVATION PORTION I.E. OFFER OF UP TO 59,76,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS ("NET OFFER"). THE OFFER AND THE NET OFFER WILL CONSTITUTE 26.49 % AND 25.15 % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "TERMS OF THE OFFER" BEGINNING ON PAGE 190 OF THIS DRAFT PROSPECTUS.

### THE FACE VALUE OF THE EQUITY SHARES IS ₹10/- EACH AND THE OFFER PRICE IS [●] TIMES OF THE FACE VALUE

In terms of Rule 19(2)(b)(i) of the SCRR this Offer is being made for at least 25% of the post-offer paid-up Equity Share capital of our Company. This offer is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Offer is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including corporate bodies or institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIIs and vice-versa subject to valid applications being received from them at or above the Offer Price. Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. All potential investors shall participate in the Offer only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Offer Procedure" beginning on page 200 of this Draft Prospectus. A copy will be filed with the Registrar of Companies as required under Section 26 and Section 28 of the Companies Act, 2013.

### RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹10/- each and the Offer Price is [●] times of face value per Equity Share. The Offer Price (has been determined and justified by our Company and Selling Shareholders in consultation with the Lead Manager, as stated under chapter titled "Basis for Offer Price" beginning on page 78 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares is listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 23 of this Draft Prospectus.

### ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly made by such Selling Shareholders in this Draft Prospectus solely in relation to itself and its respective portion of the Offered Shares, and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

### LISTING

The Equity Shares offered through the Draft Prospectus are proposed to be listed on the SME Platform of BSE i.e., BSE SME Our Company has received 'in-principle' approval from the BSE for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the Offer, the Designated Stock Exchange shall be BSE.

#### LEAD MANAGER TO THE OFFER



##### ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg  
Fort, Mumbai – 400 001  
Tel No.: +91 22 6216 6999

Email: [ipo@afsl.co.in](mailto:ipo@afsl.co.in)

Website: [www.afsl.co.in](http://www.afsl.co.in)

Investor Grievance Email: [feedback@afsl.co.in](mailto:feedback@afsl.co.in)

Contact Person: Vatsal Ganatra/Varsha Gandhi

SEBI Registration No. INM000011344

#### REGISTRAR TO THE OFFER



##### BIGSHARE SERVICES PRIVATE LIMITED

Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093  
Tel. No.: +91 22 6263 8200

Email: [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

Investor Grievance Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

Contact Person: Vinayak Morbale

SEBI Registration No.: INR000001385

### OFFER PROGRAMME

OFFER OPENS ON: [●]

OFFER CLOSES ON: [●]

## TABLE OF CONTENTS

<b>SECTION I – GENERAL.....</b>	<b>1</b>
DEFINITIONS AND ABBREVIATIONS .....	1
CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA.....	13
FORWARD-LOOKING STATEMENTS.....	15
<b>SECTION II – SUMMARY OF OFFER DOCUMENT.....</b>	<b>17</b>
<b>SECTION III – RISK FACTORS.....</b>	<b>23</b>
<b>SECTION IV – INTRODUCTION.....</b>	<b>42</b>
THE OFFER.....	42
SUMMARY OF FINANCIAL INFORMATION.....	44
GENERAL INFORMATION .....	47
CAPITAL STRUCTURE .....	56
<b>SECTION V – PARTICULARS OF THE OFFER .....</b>	<b>71</b>
OBJECTS OF THE OFFER .....	71
BASIS OF OFFER PRICE .....	78
STATEMENT OF TAX BENEFITS .....	83
<b>SECTION VI – ABOUT OUR COMPANY.....</b>	<b>87</b>
INDUSTRY OVERVIEW .....	87
OUR BUSINESS.....	93
KEY INDUSTRY REGULATIONS AND POLICIES.....	102
HISTORY AND CERTAIN CORPORATE MATTERS.....	108
OUR MANAGEMENT.....	113
OUR PROMOTER AND PROMOTER GROUP .....	127
GROUP COMPANY .....	130
DIVIDEND POLICY .....	131
<b>SECTION VII – FINANCIAL INFORMATION.....</b>	<b>132</b>
FINANCIAL STATEMENT .....	132
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....	162
FINANCIAL INDEBTEDNESS .....	169
<b>SECTION VII – LEGAL AND OTHER REGULATORY INFORMATION .....</b>	<b>171</b>
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS .....	171
GOVERNMENT AND OTHER KEY APPROVALS .....	175
<b>SECTION IX – OTHER REGULATORY AND STATUTORY DISCLOSURES .....</b>	<b>179</b>
<b>SECTION X – OFFER INFORMATION .....</b>	<b>190</b>
TERMS OF THE OFFER .....	190
OFFER STRUCTURE .....	197
OFFER PROCEDURE.....	200
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....	221
<b>SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION.....</b>	<b>223</b>
<b>SECTION XII – OTHER INFORMATION .....</b>	<b>255</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	255
DECLARATION .....	257

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.*

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

#### GENERAL TERMS

Term	Description
“Our Company”, “the Company”, “Shreni Shares Limited”, “SSL” or “the Issuer”	Unless the context otherwise indicates or implies, refers to Shreni Shares Limited, a public limited company incorporated under the Companies Act, 1956 and having Registered Office at Office No. 102, 1 <sup>st</sup> Floor Sea Lord CHSL, 1/A,1/B, Ram Nagar, Borivali (West)- 400092 Mumbai, Maharashtra, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company.

#### COMPANY RELATED TERMS

Term	Description
Articles of Association/ AoA	Articles of Association of our Company, as amended
Audit Committee	Audit Committee of our Company constituted in accordance Section 177 of the Companies Act, 2013 and as described in the chapter titled “ <i>Our Management</i> ” beginning on page 113 of this Draft Prospectus.
“Auditors” or “Statutory Auditors”	The Statutory Auditors of our Company, being M/s. J.D. Shah Associates, Chartered Accountants holding a valid peer review certificate as mentioned in the chapter titled “ <i>General Information</i> ” beginning on page 47 of this Draft Prospectus.
Banker to our Company	ICICI Bank Limited, Yes Bank Limited and HDFC Bank Limited as disclosed in the chapter titled “ <i>General Information</i> ” beginning on page 47 of this Draft Prospectus.
“Board” or “Board of Directors”	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 113 of this Draft Prospectus.
Chairman/ Chairperson	The Chairman/ Chairperson of Board of Directors of our Company being Bhavesh Himmatal Shah
CIN/ Corporate Identification Number	Corporate Identification Number of our Company i.e. U67190MH2009PLC195845
Companies Act	The Companies Act, 2013, as amended from time to time.
Chief Executive Officer or “CEO”	Chief Executive Officer of our Company, being Parth Shah
Chief Financial Officer or “CFO”	Chief Financial Officer of our Company, being Nidhi Shah
“Company Secretary and Compliance Officer”	Company Secretary and Compliance Officer of our Company, being Varsha Sharma
“Corporate Social Responsibility Committee”	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013, as described in the chapter titled “ <i>Our Management</i> ” beginning on page 113 of this Draft Prospectus.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Director Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.

<b>Term</b>	<b>Description</b>
Equity Shares	Equity shares of our Company of face value of ₹ 10.00 each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of the Company
Executive Directors	Executive Directors of our Company, as appointed from time to time
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and also other companies as considered material by our Board of the issuer as disclosed in the chapter titled " <i>Our Group Company</i> " on page 130 of this Draft Prospectus.
Independent Director	Independent Director(s) on our Board, as appointed from time to time in terms of Section 2 (47) and Section 149 (6) of the Companies Act, 2013.
ISIN	International Securities Identification Number. In this case being INE0G1R01014
Key Managerial Personnel/KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as disclosed in the chapter titled " <i>Our Management</i> " on page 113 of this Draft Prospectus.
Managing Director / MD	Managing Director of our Board, being Bhavesh Himmatlal Shah
Materiality Policy	The policy adopted by our Board on June 02, 2023 for identification of material: (a) outstanding litigation proceedings; (b) group companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Prospectus.
Memorandum of Association or MoA	Memorandum of Association of our Company, as amended.
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of our Company as described in " <i>Our Management</i> " beginning on page 113 of this Draft Prospectus.
Promoters	Promoters of our Company namely, Bhavesh Himmatlal Shah and Hitesh Natvarlal Punjani. For details, please see the section titled " <i>Our Promoter and Promoter Group</i> " on page 127 of this Draft Prospectus.
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations. For details, please see the section entitled " <i>Our Promoter and Promoter Group</i> " on page 127 of this Draft Prospectus.
Registered Office	Registered office of our Company located at Office No. 102, 1 <sup>st</sup> Floor Sea Lord CHSL, 1/A,1/B, Ram Nagar, Borivali (West)- 400092 Mumbai, Maharashtra, India
Registrar of Companies or RoC	Registrar of Companies, Mumbai situated at 100, Everest, Marine Drive, Mumbai – 400002, Maharashtra, India
Restated Financial Information	The Restated Audited Financial Information of the Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information, for the years ended March 31, 2023, March 31, 2022 and 2021 together with the annexures and notes thereto.
"Senior Management"	Senior Management of our Company in terms of Regulation 2(1) (bbb) of the SEBI ICDR Regulations as disclosed in " <i>Our Management</i> " on page 113
"Selling Shareholders"	Hitesh Natvarlal Punjani and Nidhi Shah
Shareholders	Equity shareholders of our Company, from time to time.
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Company as described in the section entitled " <i>Our Management</i> " beginning on page 113
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited.
Subscriber to MOA/Initial Promoter	Initial Subscriber to MOA & AOA being Bhavesh Himmatlal Shah and Hitesh Natvarlal Punjani
Whole Time Director	The Whole Time Director of our company being Hitesh Natvarlal Punjani, Parth Shah and Nidhi Shah

## KEY PERFORMANCE INDICATORS

Key Financial Performance	Explanations
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and volume of the business. Revenue from operation means revenue from sale of services.
EBITDA	EBITDA provides information regarding the operational efficiency of the business. EBITDA is calculated as Restated profit / loss for the period plus tax expense plus depreciation and amortization plus finance costs and any exceptional items.
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business. EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business. PAT Margin is calculated as PAT for the period/year divided by revenue from operations
Restated profit for the year / period margin	Restated profit for the year / period Margin is the ratio of Restated profit for the year / period to the total revenue of the Company. It provides information regarding the profitability of the business of our Company as well as to compare against the historical performance of our business.
Return on Average Equity ("RoAE")	RoAE is indicative of the profit generation by our Company against the equity contribution. RoAE refers to Restated profit for the year / period divided by Average Equity for the period. Average Equity is calculated as average of the total equity at the beginning and ending of the period.
Return on Capital Employed ("RoCE")	RoCE is indicative of the profit generation by our Company against the capital employed. RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed by the Company for the period.
Net Debt/ EBITDA	Net Debt to EBITDA is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. It shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant

## OFFER RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Offer to the successful applicants.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been allotted.
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form in terms of which the Applicant shall make an Application, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Prospectus.
Application Supported by Blocked Amount/ ASBA	An application whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIIs using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by RIIs using UPI Mechanism.

<b>Terms</b>	<b>Description</b>	
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.	
ASBA Applicant(s)/ Applicant	Any prospective investor who makes an Application pursuant to the terms of the draft Prospectus and the Application Form including through UPI mode (as applicable).	
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the Draft Prospectus.	
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.	
Bankers to the Offer	Banks which are clearing members and registered with SEBI as Bankers to an Offer and with whom the Public Offer Account will be opened, in this case being [●]	
Banker to the Offer Agreement	Agreement dated [●], entered into between our Company, Selling Shareholders, Lead Manager, the Registrar to the Offer, Banker to the Offer and Sponsor Bank for collection of the Application Amount on the terms and conditions thereof	
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in the chapter titled “ <i>Offer Procedure</i> ” on page 200 of this Draft Prospectus.	
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>	
BSE	BSE Limited	
Business Day	Monday to Friday (except public holidays).	
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.	
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.	
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.	
Controlling Branches of the SCSBs	Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.	
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, occupation and Bank Account details.	
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.	
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Offer Account and/ or unblocked in terms of this Draft Prospectus.	
Designated Branches	SCSB	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Locations	CDP	Such locations of the CDPs where Applicants can submit the Application Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated Locations	RTA	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated Branches	SCSB	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is

Terms	Description
	available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Stock Exchange	BSE Limited (SME Exchange of BSE Limited i.e. BSE SME).
DP	Depository Participant
DP ID	Depository Participant's Identity Number
Draft Prospectus	Draft prospectus dated issued in accordance with Section 23 and 26 of the Companies Act, 2013 and SEBI ICDR Regulation.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Draft Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value ₹ 10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depositary participants.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Offer and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares.
Escrow Account	Accounts opened with the Banker to the Offer
Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Offer and Sponsor Bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Offer Account.
Foreign Institutional Investors/ FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
First Applicant/ Sole Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Fresh Issue	The Fresh Issue of upto 37,76,400 Equity Shares by our Company having face value of ₹ 10.00 each at a price of ₹ [●] per equity share aggregating to ₹ [●] Lakhs, to be issued by our Company for subscription pursuant to the terms of this Draft Prospectus.
Fresh Issue Proceeds	The proceeds of the Fresh Issue as stipulated by the Company. For further information about use of the Fresh Issue Proceeds please see the chapter titled " <i>Objects of the Offer</i> " beginning on page no. 71 of this Draft Prospectus.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offender Act, 2018.
General Information Document / GID	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchange and the LM
LM/Lead Manager	Lead Manager to the Offer, in this case being Aryaman Financial Services Limited

Terms	Description
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and BSE Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker	Market Maker of the Company, in this case being [●]
Market Maker Reservation Portion	The Reserved portion of upto 3,18,000 Equity shares of ₹ 10.00 each at an Issue Price of ₹ [●] aggregating to ₹ [●] lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [●].
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Offer	The Net Offer of upto 59,76,000 Equity Shares of ₹ 10.00 each at ₹ [●] per Equity Share aggregating to ₹ [●] lakhs by our Company.
Non-Institutional Applicant / Investors	All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs, OFIs other than eligible QFIs).
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Offer/ Offer Size / Public Offer/ IPO	This Initial Public Offer of upto 62,94,000 Equity Shares of ₹ 10.00 each for cash at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs by our Company.
Offer Closing date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Offer, which shall be notified in an English national daily newspaper, Hindi national daily newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Offer Opening date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSB sand Registered Brokers shall start accepting Application for this Offer, which shall be the date notified in an English national daily newspaper, Hindi national daily newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Offer Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Draft Prospectus being ₹ [●] per share.
Offer Period	The period between the Offer Opening Date and the Offer Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Offer Proceeds	The proceeds of the Offer as stipulated by the Company. For further information about use of the Offer Proceeds please refer the chapter titled “ <i>Objects of the Offer</i> ” beginning on page no. 71 of this Draft Prospectus.
Offered Shares	Shall mean the Equity Shares offered by the Selling Shareholders in the Offer by way of Offer for Sale
Offer for Sale	An offer for sale of up to 25,17,600 Equity Shares aggregating up to ₹ [●] Lakhs by the Selling Shareholders as part of this Offer, in terms of the Draft Prospectus
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted

<b>Terms</b>	<b>Description</b>
	and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Offer opening and closing dates and other information.
Public Offer Account	Account opened with Bankers to the Offer for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made. Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Refund Bank(s)	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made. Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI
Registrar Agreement	The agreement dated July 05, 2023 among our Company, Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar/ Registrar to the Offer / RTA/ RTI	Registrar to the Offer being Bigshare Services Private Limited
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Offer Period and withdraw their Applications until Offer Closing Date.
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI vide circular no. CIR/OIAE/1/2014 dated December 18, 2014.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.
Selling Shareholders	Hitesh Natvarlal Punjani and Nidhi Shah
Share Escrow Agreement	Agreement dated [●] entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by each Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees

<b>Terms</b>	<b>Description</b>
Sponsor Bank	A Banker to the Offer which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●].
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriter(s)	[●]
Underwriting Agreement	The Agreement among the Underwriter(s) and our Company dated [●].
“Unified Payments Interface” or “UPI”	The instant payment system developed by the National Payments Corporation of India (NPCI).
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, along with the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchange in this regard
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI Regulations
Working Day	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Draft Prospectus are open for business: However, in respect of announcement of price band and Offer Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Draft Prospectus are open for business. In respect to the time period between the Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI, including the SEBI UPI Circulars.

## TECHNICAL/GENERAL AND INDUSTRY RELATED TERMS/ABBREVIATIONS

Term	Description
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CPI	Consumer Price Index
DCF	Discounted Cash Flow
EM	Emerging Market
FDI	Foreign Direct Investment
FPI	Foreign Portfolio Investment
FPO	Follow on Public Offering
FY	Fiscal Year
GDP	Gross Domestic Product
GST	Goods and Service Tax
ICCL	Indian Clearing Corporation Limited
IMF	International Monetary Fund
IPO	Initial Public Offering
M&A	Mergers and Acquisitions
NCL	NSE Clearing Limited
NCLT	National Company Law Tribunal
NPCI	National Payments Corporation of India
OFS	Offer for Sale
PE	Private Equity
RBI	Reserve Bank of India
SME	Small and Medium Enterprise
UPI	Unified Payments Interface
VC	Venture Capital
WEO	World Economic Outlook

## CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

Term	Description
“₹”, “Rs.”, “Rupees” or “INR”	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
“AS” or “Accounting Standards”	Accounting Standards issued by the ICAI
BSE	BSE Limited
BSE SME	SME Platform of BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, and the rules thereunder
Companies Act, 2013	The Companies Act, 2013, and the rules issued thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
CY	Calendar Year
DBT	Direct Benefit Transfer
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number

Term	Description
DPITT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identification
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
EUR	EURO
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, and the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“Financial Year”, “Fiscal”, “fiscal” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
Fintech	Financial Technology
F&O	Future & Option
FOF	Fund of Funds
FPI(s)	Foreign portfolio investor(s) as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investor(s) as defined and registered under the SEBI FVCI Regulations
GBP	British pound sterling
“GoI” or “Government”	Government of India
GST	Goods and Services Tax
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HNI	High Net Worth Investors
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICCL	Indian Clearing Corporation Limited
IFRS	International Financial Reporting Standards as adopted by the International Accounting Standards Board
“Income Tax Act” or “I.T Act”	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IST	Indian Standard Time
JPY	Japanese yen
KYC	Know Your Customer/ Client
MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
Mutual Fund(s)	Mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
“N.A.” or “NA”	Not Applicable
NAV	Net Asset Value
NACH	National Automated Clearing House
NCL	NSE Clearing Limited
NEFT	National Electronic Fund Transfer
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non-Resident Indian and FPIs
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect
NR	Non-resident
NRE Account	Non-Resident External Account

Term	Description
NRI	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
OCI	Other Comprehensive Income
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PFRDA	Pension Fund Regulatory and Development Authority
PFRDA (POP) Regulations	Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2018
PPP	Purchasing Power Parity
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
REIT	Real Estate Investment Trust
RERA Act	Real Estate (Regulation and Development) Act, 2016
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI Certification of Associated Persons Regulations	Securities and Exchange Board of India (Certification of Associated Persons in the Securities Markets) Regulations, 2007
SEBI Depositories and Participants Regulations	Securities and Exchange Board of India (Depositories and Participants Regulations) 2018
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Intermediaries Regulations	Securities and Exchange Board of India (Intermediaries) Regulations, 2008
SEBI Intermediaries Circular on Conflicts	Circular bearing number CIR/MIRSD/5/2013 dated August 27, 2013 issued by the Securities and Exchange Board of India on General Guidelines for dealing with Conflicts of Interest of Intermediaries, Recognised Stock Exchanges, Recognised Clearing Corporations, Depositories and their Associated Persons in Securities Market
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations
SEBI VCF	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996

<b>Term</b>	<b>Description</b>
Regulations	
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account
“U.S.”, “USA” or “United States”	United States of America
UK	United Kingdom
US GAAP	Generally Accepted Accounting Principles in the United States of America
“USD” or “US\$”	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

## **CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA**

### **Certain Conventions**

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

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

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Shreni Shares Limited”, and “SSL”, and, unless the context otherwise indicates or implies, refers to Shreni Shares Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac/ Lakh” means “one hundred thousand”, the word “million (Mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crores”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such 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.

### **Use of Financial Data**

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Lakhs. Unless stated otherwise, the financial data in this Draft Prospectus is derived from our restated financial statements prepared for the years ended March 31, 2023, 2022 and 2021 together with the annexure and notes thereto in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 132 of this Draft Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Our Company has no Subsidiary Company as on date of this Draft Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Statutory Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 132 of this Draft Prospectus. Our Company does not have any subsidiary or Associate company as on date of the Draft Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

For additional definitions used in this Draft Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 223 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### **Use of Industry & Market Data**

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been obtained and derived from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while

believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the chapter titled "*Basis for Offer Price*" on page 78 of this Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

#### **Currency and units of Presentation**

All references to "Rupees", "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US\$" or "US Dollars" or "USD" are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency, GBP or British pound sterling, JPY or Japanese yen.

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

## FORWARD-LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “can”, “shall”, “could”, “expect”, “estimate”, “intend”, “likely to”, “may”, “objective”, “plan”, “seek”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Draft Prospectus that are not statements of historical fact are ‘forward - looking statements’.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its 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, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate, incidence of any natural calamities and/or acts of violence.

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

- Changes in laws and regulations relating to the sectors/areas in which we operate
- Increased competition in Financial Services Industry;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Our ability to manage risks that arise from above factors;
- Changes in government policies and regulatory actions that apply to or affect our business;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition and
- Inability to adequately protect our trademarks;

For details regarding factors that could cause actual results to differ from expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 23,93 and 162 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

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

arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company along with Selling Shareholders and the Lead Manager will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

## SECTION II – SUMMARY OF OFFER DOCUMENT

### SUMMARY OF OUR BUSINESS

Our company is engaged in the business of Client Broking, Investment Banking & and Treasury Operations. We offer diversified financial and advisory services in the areas of Capital Markets, Corporate Restructuring, Valuations. We work under the guidance of our promoters, Bhavesh Himmatlal Shah and Hitesh Natvarlal Punjani, who have been instrumental in evolving our business operations, growth and future prospects.

For more details, please refer chapter titled “*Our Business*” beginning on page 93 of this Draft Prospectus.

### SUMMARY OF OUR INDUSTRY

We operate in Financial Services Industry. For more details, please refer chapter titled “*Industry Overview*” beginning on page 87 of this Draft Prospectus.

### OUR PROMOTERS

The promoters of our company are Mr. Bhavesh Himmatlal Shah and Mr. Hitesh Natvarlal Punjani.

### SIZE OF OFFER

<b>Present Offer of Equity Shares by our Company<sup>(1)</sup></b>	Up to 62,94,000 Equity Shares of face value of ₹10.00 each fully paid-up for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs
<b>The Offer consists of:</b>	
<b>Fresh Offer</b>	Up to 37,76,400 Equity Shares of face value of ₹10.00 each fully paid-up for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs
<b>Offer for Sale<sup>(2)</sup></b>	Up to 25,17,600 Equity Shares of face value of ₹10.00 each fully paid-up for cash at a price of ₹ [●] per Equity Share aggregating upto ₹ [●] Lakhs
<b>Of which:</b>	
<b>Market Maker Reservation Portion</b>	Up to 3,18,000 Equity Shares of face value of ₹10.00 each fully paid-up for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs
<b>Net Offer</b>	Up to 59,76,000 Equity Shares of face value of ₹10.00 each fully paid-up for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs

<sup>(1)</sup> The present Offer has been authorized pursuant to a resolution of our Board dated May 30, 2023 and by Special Resolution passed under Section 28 and 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our Shareholders held on June 02, 2023.

<sup>(2)</sup> The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details on the authorization of the Selling Shareholders in relation to the Offered Shares, see “The Offer” and “Terms of the Offer” beginning on page 42 and page 190 of this Draft Prospectus.

### OBJECTS OF THE OFFER

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

		(₹ in Lakhs)
<b>Sr No</b>	<b>Particulars</b>	<b>Amount</b>
1.	Funding Working Capital Requirement	684.64
2.	Prepayment or repayment, in part, of certain borrowings availed by our Company	400.00
3.	Setting up of Office Space	330.70
4.	General Corporate Purpose#	[●]
	<b>Total</b>	[●]

#The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Fresh Offer.

Further, our Company will not receive any proceeds received from the Offer for Sale by the Selling Shareholders. However, except for the listing fees which shall be solely borne by our Company, all offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Offer and the offered shares sold by the Selling Shareholders in the Offer for Sale.

For further details, please refer to chapter titled “*Objects of the Offer*” beginning on page 71 of this Draft Prospectus.

### **PRE-OFFER SHAREHOLDING OF OUR PROMOTERS, PROMOTER GROUP AND SELLING SHAREHOLDERS AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY**

Set forth is the Pre-Offer shareholding of our Promoters, Promoter Group and Selling Shareholders as a percentage of the paid-up share capital of the Company:

Category of Promoter	Pre-Offer	
	No. of Shares	% of Pre-Offer Capital
<b>Promoters</b>		
Mr. Bhavesh Himmatlal Shah	89,92,800	44.99%
Mr. Hitesh Natvarlal Punjani (Promoter Selling Shareholder)	21,10,000	10.56%
<b>Promoter Group</b>		
Mr. Nikhil Shah	18,51,900	9.27%
Mr. Himmatlal C. Shah	6,12,000	3.06%
Mrs. Sapna Bhavesh Shah	21,28,000	10.65%
Bhavesh Himmatlal Shah HUF	2,000	0.01%
Ms. Nidhi B. Shah (Promoter Group Selling Shareholder)	24,66,900	12.34%
Mr. Nirmal Shah	6,97,400	3.49%
<b>Total</b>	<b>1,88,61,000</b>	<b>94.36%</b>

### **SUMMARY OF RESTATED FINANCIAL STATEMENTS**

#### **As per Restated Financial Statements:**

(₹ in lakhs other than share data)

Particulars	For the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Share Capital	999.39	999.39	999.39
Net worth <sup>#</sup>	2,035.62	1,517.96	1,024.20
Total Revenue <sup>\$</sup>	2,073.66	1,239.58	721.35
Profit after Tax	567.63	493.76	501.85
Basic EPS	2.84	2.47	2.51
Diluted EPS	2.84	2.47	2.51
Net asset value per share (₹) - based on actual no. of equity shares at the end of the year	20.37	15.19	10.25
Net asset value per share (₹) - based on weighted avg no. of equity shares at the end of the year*	10.18	7.59	5.12
Total borrowings <sup>^</sup>	1361.36	1041.19	670.99

#Net Worth = Restated Equity Share Capital plus Restated Reserve and Surplus

\$Total Revenue = Restated Revenue from operations plus Restated Other Income

@ Earnings per share (Basic & diluted) = Restated Net profit for the period divided by Restated weighted average number of Equity Shares outstanding during the period

\*Net Asset Value per Equity Share = Restated Net worth divided by Restated weighted average number of Equity Shares outstanding during the period

<sup>^</sup>Total Borrowings = Long Term Borrowings plus Short Term Borrowings

### **QUALIFICATIONS OF AUDITORS**

The Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

## SUMMARY OF OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

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

Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Company and/or our Promoter	Material civil litigations	Aggregate amount involved (to the extent ascertainable) (₹. in lakhs)
<b>Company</b>						
By our Company	-	-	-	-	-	-
Against our Company	-	2	-	1	-	0.69
<b>Promoter and Director</b>						
By our Directors and Promoter	-	-	-	-	-	-
Against our Directors and Promoter	-	2	-	-	-	4.44

The amount has been mentioned to the extent ascertainable and quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Prospectus. For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 171 of this Draft Prospectus.

## RISK FACTORS

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

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

### As per Restated Financial Statements:

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. The disputes relate to tax treatment of certain expenses claimed as deductions or allowances. Income-tax authority has raised demand of ₹ 0.85 for FY 2012-2013 (AY 2013-2014) out of which company has already paid ₹ 0.17 under protest.

The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary. There are no commitments outstanding as on year end.

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 132 of this Draft Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

As per Restated Financial Statements: As per Accounting Standard (AS) 18 issued by Institute of Chartered Accountants of India (ICAI), the disclosures of transactions with related parties are below:

### a. Details of Related parties with whom transactions have taken place during the year

Names of related parties	Description of relationship
Bhavesh H. Shah	Director and Key Management Personnel
Hitesh N. Punjani	Director and Key Management Personnel
Nidhi Shah	Director and Key Management Personnel
Parth Shah	Director and Key Management Personnel

Sapna B. Shah	Relative of Director
Heena P. Shah	Relative of Director
Nikhilkumar Shah	Relative of Director
Himmatlal C. Shah	Relative of Director
Shreya Bhavesh Shah	Relative of Director
Bhavesh H. Shah (HUF)	Director is Karta
Sanghavi Commodity Private Limited	Company in which director has significant influences
Shreni Finance Private Limited	Company in which director has significant influences (Strike off on 23/08/2022)

**b. Related parties with whom transactions have taken place during the year:**

(₹ in lakhs)

Name	Nature of Transaction	For the Financial Year		
		2022-2023	2021-2022	2020-2021
Bhavesh H. Shah	Remuneration	61.50	13.00	19.50
Hitesh N. Punjani	Remuneration	9.08	9.00	4.85
Nidhi Shah	Remuneration	42.18	9.95	-
Parth Shah	Remuneration	179.00	87.00	35.10
Sapna B. Shah	Remuneration	-	7.50	11.20
Heena P. Shah	Salary	72.00	18.00	4.00
Himmatlal C. Shah	Debenture Issued	27.00	2.00	1.00
Nikhilkumar Shah	Debenture Issued	-	11.00	5.00
Shreya Bhavesh Shah	Debenture Issued	39.00	13.00	32.00
Heena P. Shah	Debenture Issued	-	-	10.00
Nikhilkumar Shah	Interest	2.08	1.69	0.16
Himmatlal C. Shah	Interest	2.70	0.18	0.03
Heena P. Shah	Interest	1.14	1.30	0.18
Shreya Bhavesh Shah	Interest	7.69	4.51	0.59

**c. Balance Outstanding**

(₹ in lakhs)

Name	Receivable/Payable	As at March 31,2023	As at March 31,2022	As at March 31,2021
Bhavesh H. Shah	Payable	0.44	-	-
Hitesh N. Punjani	Payable	-	0.00	-
Sapna B. Shah	Receivable	0.15	-	-

**d. Loans Taken & Repayment thereof**

(₹ in lakhs)

Name	Balance payable as on 01.04.2022	Loans taken	Repayment	Balance payable as on 31.03.2023
Bhavesh H. Shah	101	399.75	430.25	70.50
Nidhi Shah	-	5.50	-	5.50
Hitesh N. Punjani	89.70	115.64	177.34	28.00
Parth Shah	-	10	10	-

(₹ in lakhs)

Name	Balance payable as on 01.04.2021	Loans taken	Repayment	Balance payable as on 31.03.2022
Bhavesh H. Shah	-	247.55	146.55	101.00
Sapna B. Shah	-	186.70	186.70	-
Hitesh N. Punjani	-	244.70	155.00	89.70

(₹ in lakhs)				
Name	Balance payable as on 01.04.2020	Loans taken	Repayment	Balance payable as on 31.03.2021
Bhavesh H. Shah	-	252.70	252.70	-
Sapna B. Shah	-	13.99	13.99	-
Hitesh N. Punjani	-	2.00	2.00	-

e. Non-convertible Debentures Outstanding

(₹ in lakhs)			
Name	As at Mar 31,2023	As at Mar 31,2022	As at Mar 31,2021
Shreya Bhavesh Shah	84.00	45.00	32.00
Nikhilkumar Shah	16.00	16.00	5.00
Himmatlal C. Shah	30.00	3.00	1.00
Heena P. Shah	10.00	10.00	10.00

For details, please refer to chapter titled “*Restated Financial Statements*” beginning on page 132 of this Draft Prospectus.

## FINANCING ARRANGEMENTS

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

## WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTERS AND THE SELLING SHAREHOLDERS

The weighted average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders in the last one (1) year preceding the date of this Draft Prospectus is set forth in the table below:

S. No.	Name of the Promoter/ Selling Shareholders	No of Equity Shares held	Weighted Average Cost of Acquisition (in ₹)*
<b>Promoters</b>			
1.	Mr. Bhavesh Himmatlal Shah (Promoter)	44,96,400	Nil
2.	Mr. Hitesh Natvarlal Punjani (Promoter Selling Shareholder)	10,55,000	Nil
<b>Promoter Group Selling Shareholder</b>			
1.	Ms. Nidhi Shah	12,33,450	Nil

*The weighted average cost of acquisition of Equity Shares by our Promoters have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them divided by number of shares acquired.*

\*As certified by M/s J.D. Shah Associates, Chartered Accountants, by way of their certificate dated June 13, 2023.

## AVERAGE COST OF ACQUISITION OF PROMOTER AND THE SELLING SHAREHOLDERS

The average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders is set forth in the table below:

	Name of the Promoter/ Selling Shareholders	No of Equity Shares held	Average cost of Acquisition (in ₹)*
<b>Promoters (also the Promoter Selling Shareholders)</b>			
1.	Mr. Bhavesh Himmatlal Shah (Promoter)	89,92,800	5.72
2.	Mr. Hitesh Natvarlal Punjani (Promoter Selling Shareholder)	21,10,000	5.00
<b>Promoter Group Selling Shareholder</b>			
1.	Ms. Nidhi Shah	24,66,900	5.00

The average cost of acquisition of Equity Shares by our Promoters and selling shareholders have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

\*As certified by M/s J.D. Shah Associates, Chartered Accountants, by way of their certificate dated June 13, 2023.

#### **DETAILS OF PRE-IPO PLACEMENT**

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

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

Except as disclosed below, we have not issued any Equity Shares for consideration other than cash in the last one year:

<b>Date of Allotment</b>	<b>No. of Equity Shares allotted</b>	<b>Face Value(₹)</b>	<b>Offer Price(₹)</b>	<b>Reasons of Allotment</b>	<b>Benefits accrued to company</b>	<b>Allottees</b>	<b>No. of Shares Allotted</b>
May 05, 2023	99,93,900	10.00	NA	Bonus Issue	Expansion of capital base of the Company	Mr. Bhavesh H. Shah	44,96,400
						Mr. Hitesh N. Punjani	10,55,000
						Mr. Nikhil Shah	9,25,950
						Mr. Himmatlal C. Shah	3,06,000
						Mrs. Sapna Bhavesh Shah	10,64,000
						Bhavesh Himmatlal ShahHUF	1,000
						Ms. Nidhi B. Shah	12,33,450
						Mr. Nirmal Shah	3,48,700
						Mrs. Prachi Rushabh Shah	13,400
						Mr. Parth Shah	5,50,000

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

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Prospectus.

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

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI

## SECTION III – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in the Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our Restated Financial Information prepared and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 93, “Industry Overview” beginning on page 87 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 162 respectively, of this Draft Prospectus as well as other financial information contained herein.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements as restated in this Draft Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 1 of this Draft Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.*

### **Internal Risk Factors**

#### **1. General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.**

Our business is highly dependent on economic and market conditions in India. General economic and political conditions in India, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, consumer confidence, currency and interest rate fluctuations, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions. Market conditions may change rapidly and the Indian capital markets have experienced significant volatility in the past.

Our brokerage business, is highly dependent upon the levels of activity in the securities markets in India and in particular, upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, liquidity and changes in investor sentiment. Any adverse changes in such factors, as a result of general economic or market conditions or otherwise, could materially adversely affect our business, financial condition, cash flows and results of operations.

In addition, we are highly susceptible to downturns in general economic conditions and adverse market conditions as they could materially and adversely affect most aspects of our business. Such downturns affect our business, results of operations, financial condition, cash flows and prospects in various ways, including but not limited to the following:

- the volume of trading in securities that we offer in our brokerage business may be adversely affected by market movements and volatility, thereby reducing our brokerage revenues;

- the volume and number of fund raisings could significantly decline, thereby affecting our revenues from our merchant banking business;
- we may face higher risk of defaults by customers or counterparties on their contractual obligations;
- we may face increased competition in all our businesses, leading to lower fees and commissions and lower income;
- our financing costs may increase due to the limited access to liquidity and the capital markets, thereby restricting our ability to raise funding to develop our business; and
- we may not be able to effectively execute our business plans and strategies.

We have grown significantly in the recent past, with our total revenues increasing from ₹ 709.94 Lacs in fiscal 2021 to ₹ 2,054.40 Lacs in fiscal 2023. We believe that this growth has been largely influenced by general macroeconomic conditions and rising capital markets in India. Any adverse change in the general macroeconomic conditions or in the Indian capital markets may adversely affect our future growth.

**2. *Our Company has been subject to certain penal actions from the Stock Exchanges in the past. There can be no assurance that we will not be subjected to such penalties in the future, which may in turn adversely affect our financial conditions, our operations and profitability.***

We have been penalized in past for not complying with regulations by the Stock Exchanges. In this regard, the Company has received warnings from the NSE for non-compliance in reporting of clients' level cash and cash equivalent and to ensure that there is no recurrence of such violation. The BSE and NSE had imposed penalties aggregating to Rs.3.45 lakhs on the Company inter-alia for (i) default for not meeting criteria for market maker; (ii) penal charge for adverse observations in Lar Account by management for half year 2018; (iii) penal charges for Non/Later submission of internal audit reports; (i) fines for internal audit report; (ii) levy of non-uploading charges of CTCL details in ENIT; (iii) penalty for post – facto changes in sitting pattern of the trading member corporate; (iv) internal audit violation for H.Y. 2018; (v) non – submission charges for unique client code; and (v) penalties levied as per MSC Directions; and (iii) not maintaining reconciliation of balance between holding statement and register of securities in the past, which has been paid by the Company. Presently, the Company is party to certain pending proceedings before the Stock Exchanges. There can be no assurance that we will not be subjected to such further penalties in the future from the Stock Exchanges or any other regulators. Future instances of levy of any material penalties against our Company could adversely affect our financial conditions, our operations and profitability. For further details, please see chapter titled “*Outstanding Litigations and Material Developments*” at page 171 of this Draft Prospectus.

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

Our Company and one of our Promoter/Director are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Company and one of our Promoter/Director, as on the date of this Draft Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on June 2, 2023:

Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Company and/or our Promoter	Material civil litigations	Aggregate amount involved (to the extent ascertainable) (Rs. in lakhs)
<b>Company</b>						
By our Company	-	-	-	-	-	-
Against our Company	-	2	-	1	-	0.69
<b>Promoter and Director</b>						

Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/ Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Company and/or our Promoter	Material civil litigations	Aggregate amount involved (to the extent ascertainable) (Rs. in lakhs)
By our Directors and Promoter	-	-	-	-	-	-
Against our Directors and Promoters	-	2	-	-	-	4.44

There can be no assurance that these litigations will be decided in favour of our Company and our Promoter/Director, respectively, and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of such outstanding litigations, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page 171 of this Draft Prospectus.

**4. *There are operational risks associated with the financial services industry which, if realized, may have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

Similar to other companies in the financial services sector, we are exposed to a number of operational risks that can have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects, including our brokerage business. Such risks could manifest at any time in the future. The key operational risks we are exposed to include:

- human and systems errors, including in the confirmation, entry or settlement of transactions, due to the complexity and high volume of transactions;
- inadvertent deviations from defined processes and inadvertent errors due to the manual nature of processes;
- delay or failure to timely transfer, pledge or un-pledge securities to and from depository participants;
- failure to establish and maintain an effective controls and compliance oversight on our branch network;
- failure of technology in our processes, including risk management and settlement processes, causing errors or disrupting our operations;
- non-confirmation or delayed confirmation of transactions by our clients;
- inadequate technology infrastructure or inappropriate systems architecture;
- failure to adequately monitor and control authorised persons
- failure to implement sufficient information security, including cyber-security, and controls;
- failure to maintain appropriate deposits with exchanges;
- mis-selling or fraud by employees;
- an interruption in services by our critical service providers;
- failure to timely report transactions to concerned intermediaries;
- damage to physical assets, either IT assets or non-IT assets;
- failure of our complex automated risk management systems due to incorrect or inadequate algorithms; inadequate due diligence, including customer verification, KYC processes and customer needs analysis, in the sales process; and
- failure to comply with other applicable laws, regulations, accounting norms or regulatory policies, including as a result of the adoption of widely followed market practices.

If any of the foregoing were to occur, it could have a material adverse effect on our reputation, business, financial condition, cash flows, results of operations and prospects. Although we have implemented internal control measures to prevent against the risk of operational failure, we may not be able to completely avoid the occurrence of or timely detect any operational failure.

We also face the risk of regulatory penalties in our brokerage business from the exchanges/regulators for failures of routine operational processes. In the past, we have been, and in the future may be, penalised by the regulators and stock exchanges for non-compliance with regulatory rules and bye-laws relating to operational failure, including in connection with cases of operation failure beyond our control. Please see the section entitled “*Outstanding Litigation and Material*

*Developments*" on page 171 for further details.

5. ***We do not own the head office, branch office and few of the premises from where we are currently operating and the same has been taken on lease. Any failure on our part to meet the terms of those lease agreements, arrangements could affect our operations.***

We do not own the head office of our Company situated at Shop no.8, Pranam Nagar Co. Op. Society Chikooowadi, Shimpoli Road, Borivali (W), Mumbai, Maharashtra and the same is owned by our promoter Mr. Bhavesh Himmatlal Shah. Apart from the registered office, our Company operates through our head office and the Branches which have been taken on lease basis. If any of the owners of these leased/license/ arranged premises do not renew the agreements/ arrangements under which we occupy the premises, we may suffer a disruption in our operations and might have to relocate. For further details, please see the section "*Our Business*" beginning on page no 93 of the Draft Prospectus. Further, we do not foresee any problem in renewing the same.

6. ***We have not placed any orders for any of the capital expenditure that we propose to purchase from the offer proceeds. Any delay in the receipt of Offer Proceeds or other market reasons could lead to cost escalations of the same and hence affect our budgeting and financial conditions to that extent.***

We propose to utilize a portion of the Net Proceeds towards setting up of office space. As on date of this Draft Prospectus, we have not entered into definitive agreements or placed any orders for the same, except advance payment to the interior in order to commence the planning. For further details, see the section titled "*Objects of the Offer*" at page 71 of this Draft Prospectus. While we have obtained quotations from vendors in relation to the capital expenditure. As most of the quotations are valid for a certain period of time and may be subject to revisions and hence delay if any in receipt of the Offer proceeds could lead to cost escalations and affect our budgeting and financial conditions to that extent.

7. ***We may extend credit to our clients for dealing in securities and any default by a client or any downturn in the market could result in substantial losses.***

We allow some of our clients to trade in the stock market and take position on particular stocks by depositing only upfront margin amount. The client is then required to pay/ deposit with us the balance amount, before the pay-in date. In case, the said client is not able to pay the balance amount to us before the pay-in date of the exchange for the said transaction, we, at times extend credit to such clients for the pay-in of the stock exchange. Stock markets are prone to volatility. Hence, in case of highly volatile market or adverse movements in share price, it may be possible that the client may not honour their commitment. Hence, by permitting our customers to purchase securities on margin, we are subject to risks inherent in extending credit, especially during periods of rapidly declining markets in which the value of the collateral held by us could fall below the amount of a customer's indebtedness. In the event of an occurrence of any unforeseen magnitude our business may have a negative impact due to increase in bad debts and simultaneous increase in our losses.

8. ***Risks associated with our branches and authorized person.***

We face several risks associated with our branches and authorized person, including whether they have the experience and financial resources to be effective operators and remain aligned with us on operating, promotional and capital-intensive initiatives, especially during periods of underperformance, and the potential impact on us if they experience other operational problems or project an image inconsistent with our values, particularly if our contractual and other rights and remedies are limited, costly to exercise or subject to litigation.

9. ***Our risk management policies and procedures may leave us exposed to unidentified risks or unanticipated levels of risk which could lead to material losses.***

Our risk management techniques and strategies may not be fully effective in mitigating our exposure to risks and may not cover risks that we fail to identify or anticipate. Some methods of risk management are based on the use of observed historical market behavior. We apply statistical and other tools to these observations to arrive at quantifications of our risk exposures. These tools and metrics may fail to predict future risk exposures. Our losses could therefore be significantly greater than those which the historical measures indicate. Our more qualitative approach to managing those risks could prove insufficient, exposing us to material unanticipated losses. Other risk management methods depend on evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible by us. This information may not be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events.

We cannot assure you that our policies and procedures will effectively and accurately record and verify this information. We seek to monitor and control our risk exposure through a variety of separate but complementary financial, credit, operational and legal reporting systems. Nonetheless, the effectiveness of our ability to manage risk exposure cannot be completely or accurately predicted or fully assured. For example, unexpectedly large or rapid movements or disruptions in one or more markets or other unforeseen developments could have a material adverse effect on our results of operations and financial condition. The consequences of these developments could include losses due to adverse changes in inventory values, decreases in the liquidity of trading positions, higher volatility in systemic risk.

**10. *Significant security breaches in our computer systems and network infrastructure, fraud, systems failures and calamities would adversely impact our business.***

We are required to protect our computer systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems caused by our increased internet connectivity. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and networks. These concerns will intensify with our increased dependence on technology. We employ security systems, including firewalls and password encryption, designed to minimise the risk of security breaches but there can be no assurance that these security measures will be successful. Breaches of our security measures could affect the security of information stored in and transmitted through these computer systems and network infrastructure. A significant failure in security measures could have a material adverse effect on our business and our future financial performance.

**11. *Downturns or disruptions in the securities markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability.***

Our revenues, level of operations and, consequently, our profitability are dependent on favourable capital market conditions, regulatory and political environment, investor sentiment, price levels of securities and other factors that affect the volume of stock trading in India and the level of interest in Indian business developments. In recent years, the Indian and world securities markets have fluctuated considerably and a downturn in these markets could adversely affect our operating results. Further our company is also engaged in proprietary trading and any downward price movement in the stock market could have an adverse effect on our business and profitability. When markets are highly volatile, we run the risk of bad debts and losses and also litigation.

Revenues are likely to decline during sustained periods of reduced trading volumes and our profit margins may be adversely affected if we are unable to reduce our expenses at the same pace as the decline in revenues. When trading volume is low, our profitability will be adversely affected because our revenues will be reduced and some of our operating costs are fixed. Decreases in equity prices or decreased trading activity could have an adverse effect on our business, financial condition and operating results.

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

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all.

Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or revoke the cancellation or suspension of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled “Key Industry Regulations and Policies” and “Government and Other Key Approvals” at pages 102 and 175 respectively of this Draft Prospectus.

**13. *We have limited experience in the Investment banking services and thus there can be no assurance that we will***

*achieve the desired results from the same.*

Our company is currently engaged in the business of Equity broking, Investment banking and Treasury operations. Along with this we are also providing the services as a Depository Participant and Merchant banking services. Our Company registered with SEBI as Stock Broker (Member of BSE) in the year 2010 and started the Stock Brokering operations. With a plan to further diversify the operations of the company from brokering services, we commenced our Merchant Banking services in the year 2020. Our company as well as its promoters/directors, therefore, has limited experience in merchant banking services, which may increase our vulnerability to various associated risks. We are also subject to business risks and uncertainties associated with any new business enterprise, including the risk that we will not achieve our business objective and that our investment could not give the desired results.

**14. We face various risks in relation to our investment banking business.**

Our investment banking business subjects us to various risks including failure or inability to obtain necessary regulatory approvals or failure to timely execute a mandate, which may subject us to regulatory penalties and adversely affect our business. The offering of securities, are subject to a review process conducted by Exchange. The result and timing of these reviews are beyond our control, and may cause substantial delays to, or the termination of, securities offerings. There can be no assurance that regulatory approvals on securities offerings will be granted in a timely manner or at all in the future. A significant decline in the approval rate of the securities offerings advised by us could reduce our revenue from merchant banking, as we normally receive most of our fees only after the completion of a transaction.

By its nature, our investment banking income depends on numerous factors, including macroeconomic factors and the general capital markets. As a result, our investment banking income has historically varied significantly from period to period, and we expect it to continue to do so.

We depend on the accuracy and completeness of information provided by or on behalf of our investment banking clients. When acting as merchant bankers, we may be subject to regulatory sanctions, fines, penalties, investor compensation or other disciplinary actions or other legal liabilities for conducting inadequate due diligence in connection with an offering or the post-transaction compliance supervision, fraud or misconduct committed by issuers, their agents, other sponsors or ourselves, misstatements and omissions in disclosure documents, or other illegal or improper activities that occurred during the course of the merchant banking or advisory process. Our valuation and pricing for various mandates are based on estimates as to future growth prospects of the clients, the industry and the likely economic and political scenario. If they prove inadequate, it could impact our reputation, client relationships and prospects.

The performance of our investment banking business also depends on market conditions. Unfavorable market conditions and capital markets volatility may also cause delays to, or the termination of, securities offerings advised by us, or may result in fewer mandates, which may in turn materially adversely affect our revenue from the investment banking business. In addition, in case we enter into "hard" underwriting arrangements with our clients, we may be required to purchase the entire unsubscribed portion for our own account, which may even cause us to incur losses in case of a fall in prices or lack of liquidity.

Our investment banking business exposes our employees to sensitive data in relation to private and public companies, including material non-public information. The unauthorised dissemination of such information, or its use for illicit trading purposes, by our employees could subject us to fines and regulatory actions, damage our client relationships and harm our reputation.

By the nature of the investment banking business, we may be subject to litigation and/or regulatory action, in and outside India, arising from facilitating the sale of securities to investors. Furthermore, changes to the regulatory requirements for merchant banking business may pose challenges in terms of deal execution, client development, pricing and distribution capabilities. For example, if we are required to "hard underwrite" securities as a manager of an equity offering instead of merely managing their distribution, we would face various other risks and require significant additional capital. If we are unable to adjust our business strategies to meet the new challenges, we may not be able to compete effectively in the industry, which could in turn materially adversely affect income from our investment banking business.

**15. A significant decrease in our liquidity could negatively affect our business and reduce customer confidence in us.**

Maintaining adequate liquidity is crucial to our brokerage operations, including key functions such as transaction settlement and margin lending, investment banking, and other business activities with substantial cash requirements. We are subject to cash deposit and collateral requirements with clearing houses and exchanges, which may fluctuate significantly from time to time based on the nature and volume of our customers' trading activity. We meet our liquidity needs primarily through cash generated from operating activities and debt financing. A reduction in our liquidity could affect our ability to trade on the exchanges, stunt the growth of our business and reduce the confidence of our customers in us, which may result in the loss of customer accounts.

We offer margin-based products on our retail brokerage platform, wherein customers are required to deposit the prescribed initial margin for the transaction executed by us on their behalf and thereafter pay the balance amount by the due date. Hence, if a customer fails to pay the balance amount on or before the due date, then it may affect our liquidity. In case of high market volatility or adverse movements in share prices, it is possible that customers may not honour their commitment, and consequently, any inability on our part to pay the margins and/or honour the pay-in obligation to the exchanges may be detrimental to our business, reputation and profitability.

Factors that may adversely affect our liquidity position include a significant increase in our brokerage services, volatile markets, the settlement of large transactions on behalf of our brokerage customers and any obligation arising out of our underwriting activities. When cash generated from our operating activities is not sufficient to meet our liquidity or regulatory capital needs, we must seek external financing. During periods of disruption in the credit and capital markets or changes in the regulatory environment, potential sources of external financing could be limited and our borrowing costs could increase. Although our management believes that we have diversified sources of external financing, such financing may not be available on acceptable terms or at all due to disruptions in the credit and capital markets, changes in regulations relating to capital raising activities, our credit rating, general market conditions for capital raising activities, and other economic and political conditions in and outside of India.

**16. Any failure to protect or enforce our rights to own or use our trademark could have an adverse effect on our business and competitive position.**

As on the date of this Draft Prospectus, we have registered one trademark "SHRENI SHARES". Any failure to renew registration of our registered trademark may affect our right to use them in future. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our reputation, which could adversely affect our operations. Third parties may also infringe or copy

our registered trademark. Further, we have not yet applied for registration for our logo  under the Trademark Act, 1999 and hence, we do not enjoy the statutory protection accorded to a registered trademark. Since we have not obtained registration, we may remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks. We may also need to change our logo which may adversely affect our reputation and business and could require us to incur additional costs.

Further, if we do not maintain our brand identity, which is an important factor that differentiates us from our competitors, we may not be able to maintain our competitive edge. If we are unable to compete successfully, we could lose our customers, which would negatively affect our financial performance and profitability. Moreover, our ability to protect, enforce or utilize our brand is subject to risks, including general litigation risks. Furthermore, we cannot assure you that our brand will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source. Any damage to our brand identity, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position.

Finally, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements. Any of the foregoing could have an adverse effect on our business and competitive position.

**17. Financial services firms are subject to increased scrutiny concerning perceived conflicts of interest that increase the risk of financial liability and reputational harm resulting from adverse regulatory actions. A failure to identify and address conflicts of interest appropriately could adversely affect our business.**

We are subject to various laws relating to the prevention of insider trading, front running and other conflicts of interest. Conflicts of interest may exist between (i) our departments; (ii) us and our clients; (iii) our clients; (iv) us and our employees; or (v) our clients and our employees. Although we have internal controls and measures in place, we cannot assure you that we or our agents/intermediaries will always manage such conflicts of interest, including compliance with various applicable laws and regulations. In addition, such controls and measures may be incorrectly implemented and fail to perform as expected. Any such failure to manage such conflicts could harm our reputation and erode client confidence in us. In addition, potential or perceived conflicts of interest may also give rise to litigation or regulatory actions. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

**18. We have experienced negative cash flows in the past.**

Our cash flow from our operating, investing and financing activities have been negative in the past. Following are the details of our cash flow position during the last three financial years based on restated financial statements are: -

Particulars	For the year ended (in ₹ Lakhs)		
	31.03.2023	31.03.2022	31.03.2021
<b>Net cash flow from Operating activities</b>	634.32	29.66	(173.66)
<b>Net cash flow from Investing activities</b>	(813.28)	(100.27)	(22.78)
<b>Net cash flow from Financing activities</b>	(58.45)	449.07	200.66

For details, please see the section titled “*Financial Information of Our Company*” on page 132 of this Draft Prospectus. Any negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

**19. We rely on the Indian stock exchanges for a significant portion of our business.**

Our brokerage business relies on the Indian stock exchanges, such as the NSE and the BSE, and the clearing corporations to execute and settle all our customers'/clients' transactions. Our electronic brokerage platform and our systems for institutional brokerage clients are connected to the exchanges and all orders placed by our customers are fulfilled through the exchanges. Any disruption in the functioning of the exchanges or a disruption to our connection with the exchanges could have a material adverse effect on our business and results of operations.

To use the services of the stock exchanges, we are required to be registered as their members. This registration subjects us to various stock exchange regulations and periodic inspections by such stock exchanges. We cannot assure you that we will be able to strictly comply with such regulations or that such inspections would not find any violations by us. Failure to comply with such regulations could lead to fines, penalties, and in extreme circumstances, termination of our registration. If our registration with the stock exchanges is terminated, we will be unable to provide brokerage services, which will have a material adverse effect on our business, financial condition and results of operations. In addition, our business operations are subject to regulatory limits on brokerage fee rates and net worth requirements imposed by stock exchanges.

**20. We have not entered into any long-term contracts with any of our customers and typically operate on the basis of work orders, which could adversely impact our revenue and profitability.**

We do not have any long-term contracts with our customers and we provide services on basis of regular work order with our customers which could adversely affect the business of our company. We cater our services on an order-to-order basis. Our customers can terminate their relationship with us by giving notice and as such terms and conditions as mutually agreed upon, which could materially and adversely impact our business. Although we believe that we have satisfactory business relation with our customers and have received business from them in the past and will regularly receive the business in future also but there is no certainty that we will receive business in future from them and may affect our profitability.

**21. Delays or defaults in payments from our clients could result into a constraint on our cash flows. The efficiency and growth of our business depends on timely payments received from our clients.**

Our operations involve extending credit period based on the milestone of the services offered to our customers. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we had and may continue to have high levels of outstanding receivables. In case of any delay or default is made in payment by our customers or if our management fails to accurately evaluate the credit worthiness of our customers, the same may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in case of increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

**22. We continue to explore the diversification of our business and the implementation of new services. These diversifications and our other strategic initiatives may not be successful, which may adversely affect our business and results of operations.**

In order to achieve our goal, we are constantly evaluating the possibilities of expanding our business through new models, or starting new services. Although we believe that there are synergies between our current business and our expansion plans, we do have experience or expertise in these new areas. These new businesses and modes of delivery and the implementation of our strategic initiatives may pose significant challenges to our administrative, financial and operational resources, and additional risks, including some of which we are not aware of. The early stages and evolving nature of some of our businesses also make it difficult to predict competition and consumer demand therein. Our strategic initiatives require capital and other resources, as well as management attention, which could place a burden on our resources and abilities. In addition, we cannot assure you that we will be successful implementing any or all of our key strategic initiatives. If we are unable to successfully implement some or all of our key strategic initiatives in an effective and timely manner, or at all, our ability to maintain and improve our leading market position may be negatively impacted, which may have an adverse effect on our business and prospects, competitiveness, market position, brand name, financial condition and results of operations.

**23. Credit risk exposes us to losses caused by financial or other problems experienced by third parties.**

We are exposed to the risk that third parties that owe us money, securities or other assets will not perform their obligations. We particularly are exposed to risk attributable to our customers, counterparties, clearing agents, exchanges, clearing houses, and other financial intermediaries as well as issuers whose securities we hold. These parties may default on their obligations owed to us due to insolvency, lack of liquidity, operational failure, government or other regulatory interventions or other reasons. Significant failures by third parties to perform their obligations owed to us in a timely manner or at all could materially and adversely affect our revenues, business, financial conditions and results of operations.

**24. Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge and better bargaining power if entered with non- related parties resulting into relatively more favourable terms and conditions and better margins.**

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group. These transactions, inter-alia includes issue of shares, remuneration, loans and advances, etc. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms than from transaction with related parties. Additionally, our company belief that all our related party transactions have been conducted on an arm's length basis, but we cannot provide assurance that we could have achieved more favourable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the Listing Regulations. For details of transactions, please refer to "**Note 24**" on "Related Party Transactions" of the Auditor's Report under Section titled "*Financial Information of the Company*" and Chapter titled "*Capital Structure*" beginning on page 132 and 56 respectively of this Draft Prospectus.

**25. Excessive reliance on our information technology systems and their failure could harm our relationship with customers, expose us to lawsuits or administrative sanctions or otherwise adversely affect our provision of service to customers and our internal operations**

We use our information systems and the Internet to deliver services to and perform transactions on behalf of our

customers. We have in the past not experienced disruptions of service to customers, but there can be no assurance that we will not encounter disruptions in the future due to substantially increased numbers of customers and transactions or for other reasons. If we experience system interruptions, errors or downtime which could result from a variety of causes, including changes in technological failure, changes to systems, linkages with third-party systems and power failures or are unable to develop necessary technology, our business, prospects, financial condition and results of operations could be materially adversely affected.

Our hardware and software are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as Internet service providers. We may encounter delays or other difficulties incorporating new services and businesses into our information technology systems and there can be no assurance that we will realize the efficiencies and other benefits we anticipate from doing so.

**26. *In case our services to the clients are not satisfactory it may cause damage to our professional reputation and legal liability.***

We are into service industry and our business is dependent mainly on how we maintain our relationship with our existing clients who helps to retain existing clients and to attract the existing ones. Hence an unsatisfied client may be more damaging in our business than in other businesses. Our activities may subject us to the risk of significant legal liabilities to our clients and aggrieved third parties. In recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings against financial intermediaries have been increasing due to strict regulations and investor awareness. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Hence, we may incur significant legal expenses in defending against litigation. Substantial legal liability or significant regulatory action against us could have material financial effects on our Company or could even cause significant harm to our reputation, which could harm our business prospects.

**27. *Increased competition for skilled employees and salary increases for our employees may reduce our profit margin.***

Due to sustained economic growth in India and increased competition for skilled employees in India over the last few years, wages of skilled employees are increasing at a fast rate. Accordingly, we may need to increase our levels of employee compensation rapidly to remain competitive in attracting the quality of employees that our business requires. Salary increases may reduce our profit margins and have a material and adverse effect on our results of operations.

**28. *The average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders could be lower than the price determined at time of registering the Draft Prospectus.***

Our Promoters' and the Selling Shareholders' average cost of acquisition of Equity Shares in our Company may be lower than the Price as may be decided by the Company and the Selling Shareholders in consultation with the LM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and the Selling Shareholders and build-up of Equity Shares by our Promoters in our Company, please refer chapter title "Capital Structure" beginning on page 56 of this Draft Prospectus.

**29. *We have offered Equity Shares during the last one year at a price below the Offer Price.***

Our Company had issued Bonus shares of 99,93,900 equity shares on May 05, 2023 in the ratio 1:1 in the last 12 months which is lower than the Offer Price. The Equity Shares allotted to shareholders pursuant to this Offer may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For further details, see "Capital Structure" on page 56 of this Draft Prospectus.

**30. *We depend on third party vendors and service providers.***

We rely on third parties for some of our technological infrastructure that support our businesses. Failure to continue to access these third party technologies on commercially acceptable terms could limit our ability to offer competitive service offerings and adversely impact our future operating results. We also rely on several local service providers for delivering our services and any failure to continue these arrangements on commercially acceptable terms could adversely impact our future operating results.

**31. Our inability to manage growth could disrupt our business and reduce our profitability.**

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

**32. Major fraud, lapses of internal control or failures on part of the employees could adversely impact the company's business.**

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

**33. We face intense competition in our businesses, which may limit our growth and prospects.**

Our Company faces significant competition from other stock brokers and Merchant Bankers. In particular, we compete with other Indian and foreign brokerage houses operating in the markets in which we are present. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

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

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on March 31, 2023, our total outstanding indebtedness was ₹ 1,361.36 Lakhs. Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

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

The above Loan amount includes a non-convertible debentures and unsecured loans from directors as well. If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see "Financial Indebtedness" on page 169 of this Draft Prospectus.

**35. Loans availed by our Company have been secured on securities collateral provided by our Promoter and Promoter Group members. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of securities of the collateral provided by our Promoter and Promoter Group members.**

Our Promoter and Promoter Group Members has provided their personal property as security and also given personal guarantee to secure a significant portion of our existing borrowings taken from ICICI Bank Limited and Yes Bank Limited, and may continue to provide such security post listing. In case of a default under our loan agreements, the security may also be enforced, which could negatively impact the reputation and networth of the Promoters. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation.

In addition, our Promoter and Promoter Group Members may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. We may also not be successful in procuring alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “*Financial Indebtedness*” on page no 169 of this Draft Prospectus.

**36. *Conflicts of interest may arise out of common business objects between our Company and Promoter Group Company.***

Conflicts may arise in the ordinary course of decision-making by the Promoters or Board of Directors. Our Promoter, Mr. Bhavesh Himmatal Shah have interests in other companies such as Sanghavi Commodity Private Limited, that undertake business similar to the business as our Company. Conflicts of interests may arise in the Promoters’ allocating or addressing business opportunities and strategies among our Company and Promoter Group Company in circumstances where our respective interests diverge. In cases of conflict, there can be no assurance that our Promoter will not favour their own interests over those of our Company. Our Promoter has not signed any non-compete agreement with our Company as of date. Any such present and future conflicts could have an effect on our business, reputation, financial condition and results of operations. For further details, please refer section titled “Our Promoter and Promoter Group” beginning on page 127 of this Draft Prospectus.

**37. *We are heavily dependent on our Promoters, Key Managerial Personnel and Senior Management for the continued success of our business through their continuing services and strategic guidance and support.***

Our success heavily depends upon the continued services of our Key managerial personnel and senior management, along with support of our Promoters. We also depend significantly on our Key Managerial Persons and Senior Management for executing our day to day activities. The loss of any of our Promoters, Key Management Personnel and Senior Management, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section “*Our Management*” on page 113 of this Draft Prospectus.

**38. *Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholder’s investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section titled “*Dividend Policy*” on page 131 of this Draft Prospectus.

**39. *Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the Offer, which will allow them to determine the outcome of the matters requiring the approval of shareholders.***

Our promoters along with the promoter group will continue to hold collectively 68.77% of the equity share capital of the company. As a result of the same they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our

promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

**40. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. Further we have not identified any alternate source of financing the Objects of the Offer. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition***

Our Company has not identified any alternate source of funding for our object of the Offer and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Offer proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds or may result in borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company. Further the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. For further details of our working capital requirement, Please refer section titled “*Object for the Offer*” beginning on page 71 of this Draft Prospectus.

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

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

### **OFFER RELATED RISKS**

**42. *Within the parameters as mentioned in the chapter titled “Objects of the Offer” beginning on page 71 of this Draft Prospectus, our Company’s management will have flexibility in applying the net proceeds of this Offer. The fund requirement and deployment mentioned in the Objects of this Offer have not been appraised by any bank or financial institution.***

We intend to use entire Net Offer Proceeds for the purposes described in “*Objects of the Offer*”. We intend to deploy the Net Offer Proceeds in Fiscals 2024 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Fresh Offer may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Offer Proceeds, please refer chapter titled “*Objects of the Offer*” beginning on page 71 of this Draft Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled “*Objects of the Offer*” beginning on page 71 of this Draft Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Offer. Our Audit Committee will monitor the proceeds of this Offer.

**43. *The deployment of funds raised through this Offer shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.***

Since the Offer size is less than ₹10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Offer. The deployment of these funds raised through this Offer, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Fresh Offer proceeds could adversely affect our financials. However, as per the Section 177 of the Companies Act, 2013 and applicable laws, the Audit Committee of our Company would be monitoring the utilization of the Offer Proceeds.

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

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

**45. Any variation in the utilization of the Net Proceeds of the Offer as disclosed in this Draft Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.**

We intend to use entire Net Offer Proceeds for the purposes described in “*Objects of the Offer*”. For further details of the proposed objects of the Offer, please see chapter titled “*Objects of the Offer*” beginning on page 71 of this Draft Prospectus. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds from the Offer as disclosed in this Draft Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoter or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Offer as prescribed in the SEBI ICDR Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

**46. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.**

The Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the Lead Manager, and through Fixed Price Process. This price will be based on numerous factors, as described under “*Basis for Offer Price*” beginning on page 78 of this Draft Prospectus and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

**47. Our Company will not receive any proceeds from the Offer for Sale.**

The Offer includes an Offer for Sale of up to 25,17,600 Equity Shares, in the aggregate, by the Selling Shareholders. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all the Offer related expenses will be exclusively borne by our Company. The expenses of the Selling Shareholders will, at the outset, be borne by our Company and the Selling Shareholders will reimburse our Company for such expenses incurred by our Company on behalf of the Selling Shareholders, in relation to the Offer, upon successful completion of the Offer in the manner as prescribed under applicable law and agreed amongst the Company and the Selling Shareholders. For further information, please see “*Objects of the Offer*” on page 71 of this Draft Prospectus.

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

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a fixed price process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in

economic, legal and other regulatory factors.

**49. *There is no guarantee that the Equity Shares offered pursuant to the Offer will be listed on the BSE SME in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares offered pursuant to the Offer will not be granted until after the Equity Shares have been offered and allotted. Approval for listing and trading 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 the BSE SME. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**50. *Any future issuance of Equity Shares may dilute your shareholding and sale of our Equity Shares by our Promoters or other shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

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

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding ₹100,000, realized on the sale of equity shares held for more than 12 months immediately preceding the date of transfer, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

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. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2024 and the Finance Act, 2023 received assent from the President of India on March 31, 2023. There is no certainty on the impact that the Finance Act, 2023 may have on our business and operations or in the industry we operate in.

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

Prior to this Offer, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Offer due to a variety of factors, including our results of operations and the performance of our

business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**53. *Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors assessments of Our Company's financial condition. Our failure to successfully adopt IFRS may have an adverse effect on the price of our Equity Shares. The proposed adoption of IFRS could result in our financial condition and results of operations appearing materially different than under Indian GAAP.***

Our restated financial statements, including the financial statements provided in this Draft Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. For details, refer chapter titled "Presentation of Financial Industry and Market Data" beginning on page 13 of this Draft Prospectus.

Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("IFRS"), which was announced by the MCA, through the press note dated January 22, 2010. These "IFRS based / synchronized Accounting Standards" are referred to in India as IND (AS). Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IND (AS). The MCA, through a press release dated February 25, 2011, announced that it will implement the converged accounting standards in a phased manner after various issues, including tax related issues, are resolved. Further, MCA Notification dated February 16, 2015, has provided an exemption to the Companies proposing to list their shares on the SME Exchange as per Chapter IX of the SEBI ICDR Regulations and hence the adoption of IND (AS) by a SME exchange listed Company is voluntary. Accordingly, we have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IFRS or to quantify the impact of the difference between Indian GAAP and IFRS as applied to its financial statements. There can be no assurance that the adoption of IND-AS will not affect our reported results of operations or financial condition. Any failure to successfully adopt IND-AS may have an adverse effect on the trading price of our Equity Shares. Currently, it is not possible to quantify whether our financial results will vary significantly due to the convergence to IND (AS), given that the accounting principles laid down in the IND (AS) are to be applied to transactions and balances carried in books of accounts as on the date of the applicability of the converged standards (i.e., IND (AS)) and for future periods.

Moreover, if we volunteer for transition to IND (AS) reporting, the same may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IND (AS) financial statements. Any of these factors relating to the use of converged Indian Accounting Standards may adversely affect our financial condition.

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

Under the foreign exchange regulations currently in force in India, 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.

## **EXTERNAL RISKS**

**55. *The extent to which the Coronavirus disease (COVID-19) may affect our business and operations in the future is uncertain and cannot be predicted.***

During 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. In particular, a number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, 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 on March 25, 2020. The lockdown lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. The lifting of the lockdown across various regions has been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business and operations in the future. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, suppliers and workforce. 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.

**56. *Natural calamities could have a negative impact on the Indian economy and cause our Company’s business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India’s economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well as the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company’s business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. In such instances, and including the instances mentioned below, our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

Additionally, the Government of India has introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, the implementation of such laws could increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, companies can voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of incometax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending

upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Further, the GoI has announced the union budget for Fiscal 2024, pursuant to which the Finance Bill, 2023 (“Finance Bill”), has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. We cannot predict whether any amendments made pursuant to the Finance Act, 2023 would have an adverse effect on our business, financial condition and results of operations. Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

There can be no assurance that the GoI will not implement new regulations and policies requiring us to obtain approvals and licenses from the GoI or other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent in the jurisdictions in which we operate may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. It may also have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which could materially harm our results of operations or cash flows. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

We are unable to determine the impact of any changes in or interpretations of existing, or the promulgation of, new, laws, rules and regulations applicable to us and our business. If that was to occur it could result in us, our business, operations or group structure being deemed to be in contravention of such laws and/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 impact the viability of our current business or restrict our ability to grow our business in the future.

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

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

**59. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which

such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

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

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development 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.

## SECTION IV – INTRODUCTION

### THE OFFER

<b>Equity Shares Offered<sup>(1)</sup>:</b> Present Offer of Equity Shares by our Company <sup>(2)</sup>	Up to 62,94,000 Equity Shares of face value of ₹10.00 each fully paid for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs
<i>The Offer consists of:</i>	
<b>Fresh Offer</b>	Up to 37,76,400 Equity Shares of face value of ₹10.00 each fully paid up for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs
<b>Offer for Sale<sup>(3)</sup></b>	Up to 25,17,600 Equity Shares of face value of ₹10.00 each fully paid up for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs
<i>Of which:</i>	
<b>Offer Reserved for the Market Maker</b>	Up to 3,18,000 Equity Shares of face value of ₹10.00 each fully paid up for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs
<b>Net Offer to Public</b>	Up to 59,76,000 Equity Shares of face value of ₹10.00 each fully paid up for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs
<i>Of which<sup>(4)</sup>:</i>	
<b>Net Offer to Public</b>	Up to 29,88,000 Equity Shares of having face value of ₹10/- each fully paid up for cash at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 Lakhs
	Up to 29,88,000 Equity Shares of having face value of ₹10/- each fully paid up for cash at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹2.00 Lakhs
<b>Equity shares outstanding prior to the Offer</b>	1,99,87,800 Equity Shares of face value of ₹10.00 each fully paid up
<b>Equity shares outstanding after the Offer</b>	Up to 2,37,64,200 Equity Shares of face value of ₹10.00 each fully paid up
<b>Use of Net Proceeds</b>	Please refer to the chapter titled “ <i>Objects of the Offer</i> ” beginning on page 71 of this Draft Prospectus

<sup>(1)</sup> This Offer is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time.

<sup>(2)</sup> The present Offer has been authorized pursuant to a resolution of our Board dated May 30, 2023 and by Special Resolution passed under Section 28 and 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our Shareholders held on June 02, 2023.

<sup>(3)</sup> The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholders have confirmed and approved their portion in the Offer for Sale as set out below:

<b>Selling Shareholders</b>	<b>Number of Equity Shares Offered</b>	<b>Date of Consent Letter</b>
Mr. Hitesh Natvarlal Punjani	Up to 12,00,000 equity shares	June 07, 2023
Ms. Nidhi Shah	Up to 13,17,600 equity shares	June 07, 2023

<sup>(4)</sup> The allocation in the net Offer to the public category shall be made as per the requirements of Regulation 253(2) of SEBI ICDR Regulations, as amended from time to time, which reads as follows:

a) minimum fifty per cent to Retail Individual Investors; and

b) remaining to:

- i. individual applicants other than Retail Individual Investors; and*
- ii. other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*

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

*Explanation - For the purpose of Regulation 253 (2), if the Retail Individual Investors category is entitled to more than fifty per cent of the Offer size on a proportionate basis, the Retail Individual Investors shall be allocated that higher percentage.*

*For further details please refer to the chapter titled “Offer Structure” beginning on page 197 of this Draft Prospectus.*

**SUMMARY OF FINANCIAL INFORMATION**

**ANNEXURE 1**

**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	As At 31 <sup>st</sup> March 2023	As At 31 <sup>st</sup> March 2022	As At 31 <sup>st</sup> March 2021
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's funds</b>			
a) Share Capital	999.39	999.39	999.39
b) Reserves and surplus	1,036.23	518.57	24.81
<b>Total Shareholder's Fund (1)</b>	<b>2,035.62</b>	<b>1,517.96</b>	<b>1,024.20</b>
<b>2. Non-current liabilities</b>			
a) Long term borrowings	1,227.26	704.81	650.49
b) Deferred Tax Liabilities ( Net)	7.22	32.03	-
c) Other Long-term liabilities	-	-	-
d) Long – Term provisions	17.84	13.02	9.57
<b>Total (2)</b>	<b>1,252.32</b>	<b>749.86</b>	<b>660.05</b>
<b>3. Current liabilities</b>			
a) Short term borrowing	134.10	336.38	20.50
b) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	144.53	319.78	139.16
c) Other current liabilities	294.49	273.22	358.25
d) Short – term provisions	12.00	0.21	14.10
<b>Total (3)</b>	<b>585.11</b>	<b>929.59</b>	<b>532.00</b>
<b>TOTAL - 1+2+3</b>	<b>3,873.05</b>	<b>3,197.41</b>	<b>2,216.25</b>
<b>ASSETS</b>			
<b>1. Non-Current assets</b>			
a) i. Property, Plant and Equipment and Intangible assets	138.60	144.57	157.40
ii. Intangible assets	0.01	0.01	0.01
iii. Capital work in progress	896.72	93.94	-
b) Non – current investments	-	-	-
c) Deferred Tax Asset	-	-	63.19
d) Long term loans and advances	-	-	-
e) Other Non-current assets	525.48	314.36	486.11
<b>Total Non-current assets</b>	<b>1560.81</b>	<b>552.88</b>	<b>706.71</b>
<b>2. Current assets</b>			
a) Current investments	-	-	-
b) Inventories	2,027.65	2,065.19	1,138.94
c) Trade receivables	23.66	39.41	130.94
d) Cash and bank balances	151.14	388.55	69.40
e) Short Term Loans & Advances	-	-	-
f) Other current assets	109.79	151.38	170.26
<b>Total current assets</b>	<b>2,312.24</b>	<b>2,644.53</b>	<b>1,509.54</b>
<b>TOTAL</b>	<b>3,873.05</b>	<b>3,197.41</b>	<b>2,216.25</b>

**ANNEXURE 2**

**STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED**

Particulars	As At 31 <sup>st</sup> March 2023	As At 31 <sup>st</sup> March 2022	As At 31 <sup>st</sup> March 2021
<b>INCOME</b>			
Revenue from Operations	2,054.40	1228.87	709.94
Other Income	19.26	10.72	11.41
<b>Total Revenue (A)</b>	<b>2,073.66</b>	<b>1,239.58</b>	<b>721.35</b>
<b>EXPENSES</b>			
Employee benefit expenses	472.91	262.41	124.28
Finance costs	117.53	92.88	30.55
Depreciation & amortisation cost	16.47	19.16	17.66
Other expenses	702.90	178.98	116.68
<b>Total Expenses (B)</b>	<b>1,309.82</b>	<b>553.42</b>	<b>289.17</b>
<b>Profit before exceptional and extraordinary items and tax (A-B)</b>	<b>763.85</b>	<b>686.16</b>	<b>432.18</b>
Exceptional items (C)	-	-	-
Prior period expense	-	-	11.72
<b>Profit Before Tax (D)</b>	<b>763.85</b>	<b>686.16</b>	<b>420.46</b>
Tax Expense :			
(a) Current Tax	221.60	117.17	76.44
(b) MAT Credit	-	(23.26)	(108.24)
(c) Tax for earlier periods	(0.57)	3.26	13.60
(d) Deferred Tax	(24.81)	95.22	(63.19)
<b>Profit for the year</b>	<b>567.63</b>	<b>493.76</b>	<b>501.85</b>

### ANNEXURE 3

#### CASH FLOW STATEMENT, AS RESTATED

(₹ in Lakhs)

Particulars	As At 31 <sup>st</sup> March 2023	As At 31 <sup>st</sup> March 2022	As At 31 <sup>st</sup> March 2021
<b>Cash Flow From Operating Activities</b>			
<b>Net Profit Before Tax (A)</b>	<b>763.85</b>	<b>686.16</b>	<b>420.46</b>
<b>Adjustments for :</b>			
Depreciation & Amortization	16.47	19.16	29.38
Finance cost	117.53	92.88	30.55
Total (B)	134.00	112.04	59.93
<b>Operating profit before working capital adjustment (A) + (B)</b>	<b>897.85</b>	<b>798.20</b>	<b>480.39</b>
<b>Adjustment for changes in working capital</b>			
Trade receivables	15.75	91.53	(84.00)
Other current assets	83.88	18.88	(42.52)
Inventory	37.54	(926.25)	(756.99)
Trade payables	(175.25)	180.62	(46.32)
Other liabilities and provisions	37.94	(81.54)	349.62
<b>Cash flow generated from operations</b>	<b>897.70</b>	<b>81.44</b>	<b>(99.82)</b>
Direct taxes paid	(263.38)	(111.10)	(73.84)
<b>Net cash flow from operating activities (C)</b>	<b>634.32</b>	<b>(29.66)</b>	<b>(173.66)</b>
<b>Cash flow from investing activities</b>			
Purchase of Fixed assets (Including capital WIP)	(813.28)	(100.27)	(22.78)
<b>Net Cash flow from Investing activities (D)</b>	<b>(813.28)</b>	<b>(100.27)</b>	<b>(22.78)</b>
<b>Cash flow from financing activities</b>			
Increase/ (Decrease) in Borrowings	320.17	370.20	456.26
Increase/ (Decrease) in Security Deposits	(211.12)	171.75	(234.05)
Dividend paid	(49.97)	-	-
Finance cost	(117.53)	(92.88)	(30.55)
<b>Net cash flow From financing activities (E)</b>	<b>(58.45)</b>	<b>449.07</b>	<b>200.66</b>
Increase/(Decrease) in cash and cash equivalents (C+D+E)	(237.41)	319.15	4.22
Cash and cash equivalent at the beginning of the year	388.55	69.40	65.18
<b>Cash &amp; cash equivalent at the end of the year</b>	<b>151.14</b>	<b>388.55</b>	<b>69.40</b>

## GENERAL INFORMATION

Our Company was originally incorporated as 'Shreni Shares Private Limited' as a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated September 17, 2009 issued by the Registrar of Companies, Mumbai, Maharashtra. The status of the Company was changed to public limited and the name of our Company was changed to 'Shreni Shares Limited' vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on May 11, 2023. The fresh certificate of incorporation dated May 26, 2023 was issued to our Company by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U67190MH2009PLC195845.

For further details and details of changes in the registered office of our company, please refer to the chapter titled "History and Certain Corporate Matters" beginning on page 108 of this Draft Prospectus.

## REGISTERED OFFICE

### Shreni Shares Limited

Office No. 102, 1<sup>st</sup> Floor Sea Lord CHSL,  
1/A,1/B, Ram Nagar, Borivali (West)- 400092  
Mumbai, Maharashtra, India

**Tel No:** 022 – 2808 8456

**Email:** [investor@shreni.in](mailto:investor@shreni.in)

**Website:** [www.shreni.in](http://www.shreni.in)

## HEAD OFFICE

### Shreni Shares Limited

Shop No. 8, Pranam CHS, Ground Floor,  
Near State Bank of India, Chikuwadi,  
Borivali (West) -400092,  
Mumbai, Maharashtra, India

**Tel No:** 022-79648083

**Email:** [care.shreni@gmail.com](mailto:care.shreni@gmail.com)

**Website:** [www.shreni.in](http://www.shreni.in)

## REGISTRAR OF COMPANIES

### Registrar of Companies, Mumbai

Ministry of Corporate Affairs,100, Everest, Marine Drive  
Mumbai - 400 002, Maharashtra, India

**Tel No.:** 022 – 2281 2627

**Email:** [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)

**Website.:** [www.mca.gov.in](http://www.mca.gov.in)

## DESIGNATED STOCK EXCHANGE

### BSE SME

### BSE Limited

Phiroze Jeejeebhoy Towers,Dalal Street, Mumbai –400 001, Maharashtra, India

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

## BOARD OF DIRECTORS

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

Name	Designation	DIN	Residential Address
Bhavesh Himmatal Shah	Chairman and Managing Director	02334260	D/204, Panchsheel Heights, Mahavir Nagar, Opp, Pizza Hut, Kandivali (West), Mumbai-400067, Maharashtra, India
Hitesh Natvarlal Punjani	Whole-time Director	02072811	C/504, Janki Avenue, Azad Nagar, Opp. Bharat Gas Godown, Bhayander (East), Thane-401105 Maharashtra, India
Parth Shah	Whole-time Director	08323123	A/1605, AHCL Towers, Chikuwadi, Opposite MTNL Telephone Exchange, Borivali West, Mumbai – 400092.

Name	Designation	DIN	Residential Address
Nidhi Shah	Whole-time Director	09172519	D/204, Panchsheel Heights, Mahavir Nagar, Opp, Pizza Hut, Kandivali (West), Mumbai-400067, Maharashtra, India
Arpit T Shah	Non-Executive Independent Director	10169312	A/4, Anisha Apt, New Vikash Gruh Road, Paldi, Ahmedabad 380007, Gujarat, India
Palak J Shah	Non-Executive Independent Director	10168539	1-Saman Flats, 5/B, Swastik Society. Navarangpura, Ahmedabad-380009, Gujarat, India
Rachana Pranav Sheth	Non-Executive Independent Director	10156318	601, Arvind Building, 60 Feet Road, Opp Syndicate bank, Ghatkopar (East)-400077, Mumbai, Maharashtra, India
Vikash Kumar Jain	Non-Executive Independent Director	02273508	C-2, Vaibhav Apt-1, Police Comm. Road, Shahibaugh, Ahmedabad -380004, Gujarat, India

For detailed profile of our Board of Directors, please see chapter titled “*Our Management*” beginning on page 113 of this Draft Prospectus.

#### COMPANY SECRETARY AND COMPLIANCE OFFICER

##### Ms. Varsha Sharma

Office No. 102, 1<sup>st</sup> Floor Sea Lord CHSL,  
1/A,1/B, Ram Nagar, Borivali (West)- 400092  
Mumbai, Maharashtra, India

**Tel No:** 022 – 2808 8456

**Email:** [investor@shreni.in](mailto:investor@shreni.in)

**Website:** [www.shreni.in](http://www.shreni.in)

#### INVESTOR GRIEVANCES

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

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

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

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

### LEAD MANAGER TO THE OFFER



#### ARYAMAN FINANCIAL SERVICES LIMITED

60, Khatau Building, Ground Floor

Alkesh Dinesh Modi Marg

Opp. P. J. Towers (BSE Building),

Fort, Mumbai – 400 001

**Tel No.:** +91 – 22 – 6216 6999

**Email:** ipo@afsl.co.in

**For Investor Grievances:** feedback@afsl.co.in

**Website:** www.afsl.co.in

**Contact Person:** Vatsal Ganatra/Varsha Gandhi

**SEBI Registration No.:** INM000011344

### REGISTRAR TO THE OFFER



#### BIGSHARE SERVICES PRIVATE LIMITED

Office No S6-2, 6th Floor, Pinnacle Business

Park, Next to Ahura Centre, Mahakali Caves

Road, Andheri (East) Mumbai – 400 093,

Maharashtra, India

**Tel No:** 022 – 6263 8200

**Email:** ipo@bigshareonline.com

**Investor Grievance E-mail:**

investor@bigshareonline.com

**Website:** www.bigshareonline.com

**Contact Person:** Mr. Vinayak Morbale

**SEBI Registration Number:** INR000001385

### LEGAL ADVISOR TO THE OFFER

#### M/S. KANGA & COMPANY (ADVOCATES & SOLICITORS)

Readymoney Mansion, 43, Veer Nariman Road, Mumbai – 400 001

**Tel No.:** +91 – 22 – 6623 0000, +91 – 22 – 6633 2288

**Fax No.:** +91 – 22 – 6633 9656 / 57

**Contact Person:** Mr. Chetan Thakkar

**Email:** chetan.thakkar@kangacompany.com

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

### STATUTORY AUDITORS OF OUR COMPANY

#### M/s J.D. Shah Associates

Chartered Accountants,

401, Purva Plaza, Shimpoli Road, Opp. Adani Electricity,

Borivali West, Mumbai- 400 092

**Tel No.:** 022-35136946

**Email:** [cajdshahjeet@gmail.com](mailto:cajdshahjeet@gmail.com)

**Contact Person:** Jayesh D. Shah

**Firm Registration No.:** 109601W

**Peer Review No:** 012873

## CHANGES IN AUDITORS

Except as disclosed below, there has been no change in Auditors during the last three years:

Date of Resignation	From	Date of appointment	To	Reason for Change
March 20, 2023	<b>M/s Mehul M. Shah &amp; Co., Chartered Accountants</b> Shop no 7, Pranam CHS, Ground Floor, Near State Bank of India, Chikuwadi, Borivali (West) - 400092, Mumbai, Maharashtra, India <b>Tel No:</b> +91-8169299447 <b>E-mail:</b> shahmehul0811@gmail.com <b>FRN:</b> 0141907W	May 03, 2023	<b>M/s J.D. Shah Associates, Chartered Accountants</b> 401, Purva Plaza, Shimpoli Road, Opp. Adani Electricity, Borivali West, Mumbai-400 092 <b>Tel No.:</b> 022-35136946 <b>Email:</b> cajdshahjeet@gmail.com <b>Firm Registration No.:</b> 109601W <b>Peer Registration No.</b> 012873 <b>Review No.</b>	Due to pre-occupation in other professional work.

## BANKERS TO THE OFFER / REFUND BANK / SPONSOR BANK

[•]

## SHARE ESCROW AGENT

[•]

## BANKERS TO THE COMPANY

### ICICI Bank Limited

ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara – 390007, Gujarat.

**Tel No.:** 9870171036

**Email Id:** amol.rane@icicibank.com

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

**Contact Person:** Amol Rane

### Yes Bank Limited

Yes Bank House, Off western Express Highway, Santacruz (East), Mumbai-400055, Maharashtra, India.

**Tel No.:** 9167620469

**Email Id:** [amitkumar.chauhan@yesbank.in](mailto:amitkumar.chauhan@yesbank.in)

**Website:** [www.yesbank.in](http://www.yesbank.in)

**Contact Person:** Amit Kumar Chauhan

### HDFC Bank Limited

Ground Floor, Jehangir Building, M.G. Road Fort, Mumbai – 400001.

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

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Aryaman Financial Services Limited (AFSL) is the sole Lead Manager to this Offer and all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

## SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

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

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

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

### **REGISTERED BROKERS**

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

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

### **REGISTRAR TO THE OFFER AND SHARE TRANSFER AGENTS (“RTA”)**

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

### **COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)**

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

### **CREDIT RATING**

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

### **IPO GRADING**

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

### **DEBENTURE TRUSTEES**

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

### **MONITORING AGENCY**

Since our Offer size does not exceeds ₹10,000 Lakhs, we are not required to appoint monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 262(1) of SEBI ICDR Regulations. Our Company has not appointed any monitoring agency for this Offer. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Offer.

## APPRAISING ENTITY

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

## TYPE OF OFFER

The present Offer is considered to be 100% Fixed Price Offer.

## GREEN SHOE OPTION

No green shoe option is contemplated under the Offer.

## EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditors namely M/s. J.D. Shah Associates, Chartered Accountants to include their name in respect of the reports on the Restated Financial Statements dated June 13, 2023 and the Statement of Possible Tax Benefits dated June 13, 2023 issued by them and included in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Prospectus.

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

## FILING OF DRAFT PROSPECTUS

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

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

## ISSUE PROGRAMME

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

The above timetable is indicative and does not constitute any obligation on our Company, Selling Shareholders or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted only between **10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified

that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## **UNDERWRITING AGREEMENT**

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

<b>Details of the Underwriter</b>	<b>No. of Equity Shares Underwritten</b>	<b>Amount Underwritten</b>	<b>% of total Offer size underwritten</b>
[●]	[●]	[●]	[●]

In accordance with Regulation 260(2) of the SEBI ICDR Regulations, this Offer has been 100% underwritten and shall not restrict to the minimum subscription level. Our Company shall ensure that the Lead Manager to the Offer have underwritten at least 15% of the total Offer Size.

## **WITHDRAWAL OF THE ISSUE**

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

## **MARKET MAKER**

[●]

## **DETAILS OF THE MARKET MAKING AGREEMENT**

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

Offer.

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of BSE SME and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE SME from time to time.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on BSE SME and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
10. The Market Maker shall have the right to terminate said arrangement by giving one-month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the abovementioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations. Further the Company reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

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

**12. Punitive Action in case of default by Market Maker:** BSE SME will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security

as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

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

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

The following spread will be applicable on the BSE SME:

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

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

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

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

On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

## CAPITAL STRUCTURE

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

(₹ in lakhs except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Offer Price <sup>(4)</sup>
<b>A.</b>	<b>Authorized Share Capital</b>		
	2,50,00,000 Equity Shares of face value of ₹10.00 each	2,500.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Equity Capital before the Offer</b>		
	1,99,87,800 Equity Shares of face value of ₹10.00 each	1,998.78	-
<b>C.</b>	<b>Present Offer in Terms of this Draft Prospectus</b>		
	Offer of up to 62,94,000 Equity Shares of face value of ₹10.00 each <sup>(1)</sup>	629.40	[●]
	<b>Which Comprises of:</b>		
	Fresh Offer of up to 37,76,400 Equity Shares	377.64	[●]
	Offer for Sale of up to 25,17,600 Equity Shares <sup>(2)</sup>	251.76	[●]
	<b>Of which:</b>		
	Up to 3,18,000 Equity Shares of face value of ₹10.00 each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	31.80	[●]
	Net Offer to Public of up to 59,76,000 Equity Shares of ₹10.00 each at a price of ₹ [●] per Equity Share to the Public	597.60	[●]
	<b>Of which</b> <sup>(3)</sup>		
	Allocation to Retail Individual Investors of up to 29,88,000 Equity Shares	298.80	[●]
	Allocation to other than Retail Individual Investors of up to 29,88,000 Equity Shares	298.80	[●]
<b>D.</b>	<b>Paid-up Equity Capital after the Offer</b>		
	Up to 2,37,64,200 Equity Shares of face value of ₹10.00 each	2,376.42	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Offer	Nil	
	After the Offer	[●]	

1. *The present Offer has been authorized by our Board pursuant to a resolution passed at its meeting held on May 30, 2023 and by our Shareholders pursuant to a Special Resolution passed at the Extra-Ordinary General meeting held on June 02, 2023.*
2. *The Equity Shares being offered by the Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details on authorization of the Selling Shareholders in relation to their portion of Offered Shares, please refer to the chapters titled “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 42 and 179 respectively.*
3. *Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Offer Size. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.*
4. *To be finalized upon determination of the Offer Price.*

## CLASS OF SHARES

As on the date of this Draft Prospectus, our Company has only one class of share capital i.e., Equity Shares of ₹10.00 each. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

## NOTES TO THE CAPITAL STRUCTURE

### 1. Changes in Authorized Share Capital

Since incorporation, the capital structure of our Company has been altered in the following manner:

1. The initial authorized share capital of ₹1,00,000 divided into 10,000 Equity Shares of ₹10.00 each.
2. The authorized share capital was further increased from ₹1,00,000 divided into 10,000 Equity Shares of ₹10.00 each to ₹1,00,00,000 divided into 10,00,000 Equity Shares of ₹10.00 each vide Shareholders' Resolution dated October 22, 2009.
3. The authorized share capital was further increased from ₹1,00,00,000 divided into 10,00,000 Equity Shares of ₹10.00 to ₹5,00,00,000 divided into 50,00,000 Equity Shares of ₹10.00 each vide Shareholders' Resolution dated May 24, 2010.
4. The authorized share capital was further increased from ₹5,00,00,000 divided into 50,00,000 Equity Shares of ₹10.00 each to ₹10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹10.00 each vide Shareholders' Resolution dated June 17, 2017.
5. The authorized share capital was further increased from ₹10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹10.00 each to ₹25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹10.00 each vide Shareholders' Resolution dated February 15, 2023.

### Share Capital History of our Company

- a) Equity Share Capital History: The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Offer Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Equity Shares Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	10,000	10.00	10.00	Cash	Subscription to MOA <sup>(i)</sup>	10,000	1,00,000	Nil
April 19, 2010	3,51,500	10.00	10.00	Cash	Further Allotment <sup>(ii)</sup>	3,61,500	36,15,000	Nil
April 19, 2010	2,50,300	10.00	30.00	Cash	Further Allotment <sup>(iii)</sup>	6,11,800	61,18,000	50,06,000
July 31, 2010	3,03,800	10.00	30.00	Cash	Further Allotment <sup>(iv)</sup>	9,15,600	91,56,000	1,10,82,000
January 29, 2011	4,70,500	10.00	30.00	Cash	Further Allotment <sup>(v)</sup>	13,86,100	1,38,61,000	2,04,92,000
March 30, 2012	6,57,750	10.00	30.00	Cash	Further Allotment <sup>(vi)</sup>	20,43,850	2,04,38,500	3,36,47,000

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Offer Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Equity Shares Capital (₹)	Cumulative Share Premium (₹)
March 12, 2016	22,50,000	10.00	10.00	Cash	Right Issue (vii)	42,93,850	4,29,38,500	3,36,47,000
August 20, 2016	7,06,050	10.00	10.00	Cash	Right Issue (viii)	49,99,900	4,99,99,000	3,36,47,000
March 14, 2018	10,00,000	10.00	10.00	Cash	Preferential Allotment (ix)	59,99,900	5,99,99,000	3,36,47,000
March 14, 2018	20,00,000	10.00	10.00	Other than Cash	Conversion of Loan (x)	79,99,900	7,99,99,000	3,36,47,000
March 31, 2020	19,94,000	10.00	10.00	Other than Cash	Conversion of Loan (xi)	99,93,900	9,99,39,000	3,36,47,000
May 05, 2023	99,93,900	10.00	Nil	Other than Cash	Bonus (xii)	1,99,87,800	19,98,78,000	Nil

(i) Initial Subscribers to the Memorandum of Association of our company:

Sr No	Name	No. of Equity Shares
1.	Mr. Bhavesh H. Shah	5,000
2.	Mr. Hitesh N. Punjani	5,000
	<b>Total</b>	<b>10,000</b>

(ii) Further Allotment of 3,51,500 Equity Shares of face value of ₹10.00 each:

Sr No	Name	No. of Equity Shares
1.	Mr. Bhavesh H. Shah	3,00,500
2.	Mr. Hitesh N. Punjani	50,000
3.	Bhavesh H. Shah (HUF)	1,000
	<b>Total</b>	<b>3,51,500</b>

(iii) Further Allotment of 2,50,300 Equity Shares of face value of ₹10.00 each:

Sr No	Name	No. of Equity Shares
1.	Mr. Bhupendra C. Shah	20,000
2.	Mrs. Sushilaben B. Shah	3,450
3.	Bhupendra C. Shah (HUF)	3,450
4.	Mr. Saurabh Gandhi	16,700
5.	Mr. Anil J Mistry	6,700
6.	Mr. Manu Gupta	2,00,000
	<b>Total</b>	<b>2,50,300</b>

(iv) Further Allotment of 3,03,800 Equity Shares of face value of ₹10.00 each:

Sr No	Name	No. of Equity Shares
1.	Mr. Anil J Mistry	70,000
2.	Mrs. Kirti A. Mistry	33,500
3.	Mr. Bharat D Trivedi	33,500
4.	Mr. Ramesh C. Darji	16,700
5.	Mr. Vinayak P. Sonar	16,700

<b>Sr No</b>	<b>Name</b>	<b>No. of Equity Shares</b>
6.	Mr. Shivanand V. Kotian	16,700
7.	Mrs. Maya H. Shah	40,000
8.	Mrs. Hemangi D. Bhatt	5,000
9.	Mr. Jayesh N. Shridharani	4,700
10.	Mr. Anil G Karnawat	13,500
11.	Mr. Jitendra V. Shah	30,000
12.	Mr. Bhavesh H. Shah	23,500
13.	<b>Total</b>	<b>3,03,800</b>

(v) Further Allotment of 4,70,500 Equity Shares of face value of ₹10.00 each:

<b>Sr No</b>	<b>Name</b>	<b>No. of Equity Shares</b>
1.	Mr. Hitesh J. Bhinde	40,000
2.	Mrs. Pramila N Gopani	33,500
3.	Mr. Jitendra V. Shah	66,700
4.	Mr. Kamlesh V. Shah	50,000
5.	Mr. Samir Shah	10,000
6.	Mrs. Harsha P. Gopani	16,700
7.	Mrs. Bhavna B. Gopani	16,700
8.	Mr. Sarju N. Gopani	26,700
9.	Mrs. Jigna S. Gopani	23,400
10.	Mrs. Prachi N. Shah	13,400
11.	Mr. Ajeet Pandey	23,400
12.	Mrs. Sangeeta A. Pandey	18,400
13.	Mrs. Seema P. Mali	7,500
14.	Mr. Kaushik S. Shah	8,400
15.	Mrs. Reena M. Shah	8,000
16.	Mr. Jayesh N. Shridharani	11,700
17.	Mrs. Hemangi D. Bhatt	10,000
18.	Mrs. Kokila D. Bhatt	26,700
19.	Mr. Deepak G. Bhatt	8,400
20.	Mrs. Hetal D. Bhatt	10,000
21.	Mrs. Hema A. Karnawat	40,900
	<b>Total</b>	<b>4,70,500</b>

(vi) Further Allotment of 6,57,750 Equity Shares of face value of ₹10.00 each:

<b>Sr No</b>	<b>Name</b>	<b>No. of Equity Shares</b>
1.	Mr. Bhavesh H. Shah	1,00,000
2.	Mr. Bhupendra C. Shah	51,300
3.	Mrs. Sushilaben B. Shah	20,000
4.	Mrs. Himangi D. Bhatt	1,500
5.	Mr. Jayesh N. Shridharani	8,600
6.	Mr. Hitesh J. Bhinde	7,650
7.	Mrs. Pramila N. Gopani	10,000
8.	Mr. Kamlesh V. Shah	33,400
9.	Mr. Samir Shah	73,400
10.	Mrs. Harsha P. Gopani	6,700
11.	Mr. Sarju N. Gopani	13,400
12.	Mrs. Jigna S. Gopani	20,000
13.	Mrs. Reena M. Shah	9,900
14.	Mrs. Kokila D. Bhatt	15,400
15.	Mrs. Hetal D. Bhatt	10,000
16.	Mr. Shashikant Shah	11,700
17.	Nimesh B. Shah(HUF)	10,000
18.	Mr. Himmatal C. Shah	49,000

Sr No	Name	No. of Equity Shares
19.	Mrs. Jagruti H. Bhinde	5,300
20.	Mrs. Jaya H. Shah	8,300
21.	Mr. Mitesh S. Shah	27,500
22.	Mr. Nirmal H. Shah	18,300
23.	Mr. Raghuveer P. Trivedi	8,000
24.	Jayesh N. Sheth(HUF)	53,400
25.	Mr. Jayesh N. Sheth	30,000
26.	Mr. Satyam Joshi	45,000
27.	Mr. Jatin S. Shah	10,000
<b>Total</b>		<b>6,57,750</b>

(vii) Right Issue of 22,50,000 Equity Shares of face value of ₹10.00 each in the ratio of 21:19 i.e., 21 Equity Shares for 19 equity shares held:

Sr No	Name	No of Equity Shares
1.	Mr. Bhavesh H. Shah	10,00,000
2.	Mr. Hitesh N. Punjani	10,00,000
3.	Mr. Sajid G. Peerzada	2,50,000
<b>Total</b>		<b>22,50,000</b>

(viii) Right Issue of 7,06,050, Equity Shares of face value of ₹10.00 each in the ratio of 13:79 i.e., 13 Equity Shares for 79 equity shares held:

Sr No	Name	No of Equity Shares
1.	Mr. Bhavesh H. Shah	1,05,000
2.	Mrs. Sapna Bhavesh. Shah	34,000
3.	Mr. Himmatlal C. Shah	2,57,000
4.	Ms. Nidhi B. Shah	1,30,050
5.	Mr. Nirmal H. Shah	1,80,000
<b>Total</b>		<b>7,06,050</b>

(ix) Preferential allotment of 10,00,000, Equity Shares of face value of ₹10.00 each:

Sr No	Name	No of Equity Shares
1.	Ms. Nidhi B. Shah	10,00,000
<b>Total</b>		<b>10,00,000</b>

(x) Further allotment of 20,00,000 Equity Shares of face value of ₹10.00 each through conversion of loan:

Sr No	Name	No of Equity Shares
1.	Mr. Bhavesh H. Shah	10,00,000
2.	Mrs. Sapna Bhavesh. Shah	10,00,000
<b>Total</b>		<b>20,00,000</b>

(xi) Further allotment of 19,94,000 Equity Shares of face value of ₹10.00 each through conversion of loan:

Sr No	Name	No of Equity Shares
1.	Mr. Bhavesh H. Shah	14,44,000
2.	Mr. Parth Shah	5,50,000
<b>Total</b>		<b>19,94,000</b>

(xii) Bonus Issue of 99,93,900 Equity Shares of face value of ₹10.00 each in the ratio of 1:1 i.e., 1 Bonus Equity Shares for 1 equity shares held:

Sr No	Name	No of Equity Shares
1.	Mr. Bhavesh H. Shah	44,96,400

Sr No	Name	No of Equity Shares
2.	Mr. Hitesh N. Punjani	10,55,000
3.	Mr. Nikhil Shah	9,25,950
4.	Mr. Himmatlal C. Shah	3,06,000
5.	Mrs. Sapna Bhavesh Shah	10,64,000
6.	Bhavesh Himmatlal Shah HUF	1,000
7.	Ms. Nidhi B. Shah	12,33,450
8.	Mr. Nirmal Shah	3,48,700
9.	Mrs. Prachi Rushabh Shah	13,400
10.	Mr. Parth Shah	5,50,000
	<b>Total</b>	<b>99,93,900</b>

b) As on the date of this Draft Prospectus, our Company does not have any Preference Share Capital.

## 2. Issue of Equity Shares for consideration other than cash

Except as disclosed below, we have not issued any Equity Shares for consideration other than cash at any point of time since Incorporation:

Date of Allotment	No. of Equity Shares allotted	Face Value(₹)	Offer Price(₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
March 14, 2018	20,00,000	10.00	10.00	Conversion of Loan into Equity	Reduction in borrowings of the Company	Mr. Bhavesh H. Shah	10,00,000
						Mrs. Sapna Bhavesh Shah	10,00,000
March 31, 2020	19,94,000	10.00	10.00	Conversion of Loan into Equity	Reduction in borrowings of the Company	Mr. Bhavesh H. Shah	14,44,000
						Mr. Parth Shah	5,50,000
May 05, 2023	99,93,900	10.00	NA	Bonus Issue	Expansion of capital base of the Company	Mr. Bhavesh H. Shah	44,96,400
						Mr. Hitesh N. Punjani	10,55,000
						Mr. Nikhil Shah	9,25,950
						Mr. Himmatlal C. Shah	3,06,000
						Mrs. Sapna Bhavesh Shah	10,64,000
						Bhavesh Himmatlal Shah HUF	1,000
						Ms. Nidhi B. Shah	12,33,450
						Mr. Nirmal Shah	3,48,700
						Mrs. Prachi Rushabh Shah	13,400
						Mr. Parth Shah	5,50,000

- No equity shares have been allotted in terms of any scheme approved under sections 230-234 of the Companies Act, 2013.
- Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.
- We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.

6. Except as mentioned below, our Company has not issued Equity shares at price below the Offer price within last one year from the date of the Draft Prospectus

<b>Date of Allotment</b>	<b>No. of Equity Shares allotted</b>	<b>Face Value(₹)</b>	<b>Offer Price (₹)</b>	<b>Reasons of Allotment</b>	<b>Benefits accrued to company</b>	<b>Allotees</b>	<b>No. of Shares Allotted</b>
May 05, 2023	99,93,900	10.00	NA	Bonus Issue	Expansion of capital base of the Company	Mr. Bhavesh H. Shah Mr. Hitesh N. Punjani Mr. Nikhil Shah Mr. Himmatal C. Shah Mrs. Sapna Bhavesh Shah Bhavesh Himmatal Shah HUF Ms. Nidhi B. Shah Mr. Nirmal Shah Mrs. Prachi Rushabh Shah Mr. Parth Shah	44,96,400 10,55,000 9,25,950 3,06,000 10,64,000 1,000 12,33,450 3,48,700 13,400 5,50,000

## 7. Shareholding Pattern of our Company

The table below presents the current shareholding pattern of our Company as per Regulation 31 of SEBI LODRRegulations as on the date of this Draft Prospectus:

	Category (I)	Category of shareholder (III)	Nos. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (VII) = (IV)+(V)+(VI)	No. of shares underlying Depository	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Class-Equity			Total as a % of (A+B+C)	No. of Outstanding convertible securities(including convertible securities)(IX)	Shareholding as a % assuming full convertible securities(as a percentage of total shares held)(X)	No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form(XIV)
									Class	No of Voting Rights	Total									
A	Promoter & Promote Group	8	1,88,61,000	-	1,88,61,000	94.36	1,88,61,000	-	1,88,61,000	-	1,88,61,000	94.36	-	94.36	-	-	-	-	-	1,88,61,000
B	Public	2	11,26,800	-	11,26,800	5.64	11,26,800	-	11,26,800	-	11,26,800	5.64	-	5.64	-	-	-	-	-	11,26,800
C	Non-Promoter Non - Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C 1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C 2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>10</b>	<b>1,99,87,800</b>	-	<b>1,99,87,800</b>	<b>100.00</b>	<b>1,99,87,800</b>	-	<b>1,99,87,800</b>	<b>100.00</b>	<b>1,99,87,800</b>	<b>100.00</b>	-	<b>100.00</b>	-	-	-	-	-	<b>1,99,87,800</b>

**8. List of Shareholders of the Company holding 1% or more of the paid-up Share Capital of the Company**

a. As on the date of filing of this Draft Prospectus

Sr No	Name of the Shareholder	No of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)
1.	Mr. Bhavesh H. Shah	89,92,800	44.99
2.	Mr. Hitesh N. Punjani	21,10,000	10.56
3.	Mr. Nikhil Shah	18,51,900	9.27
4.	Mr. Himmatal C. Shah	6,12,000	3.06
5.	Mrs. Sapna Bhavesh Shah	21,28,000	10.65
6.	Ms. Nidhi B. Shah	24,66,900	12.34
7.	Mr. Nirmal Shah	6,97,400	3.49
8.	Mr. Parth Shah	11,00,000	5.50
<b>Total</b>		<b>1,99,59,000</b>	<b>99.86</b>

b. Ten days prior to the date of filing of this Draft Prospectus

Sr No	Name of the Shareholder	No of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)
1.	Mr. Bhavesh H. Shah	89,92,800	44.99
2.	Mr. Hitesh N. Punjani	21,10,000	10.56
3.	Mr. Nikhil Shah	18,51,900	9.27
4.	Mr. Himmatal C. Shah	6,12,000	3.06
5.	Mrs. Sapna Bhavesh Shah	21,28,000	10.65
6.	Ms. Nidhi B. Shah	24,66,900	12.34
7.	Mr. Nirmal Shah	6,97,400	3.49
8.	Mr. Parth Shah	11,00,000	5.50
<b>Total</b>		<b>1,99,59,000</b>	<b>99.86</b>

c. One Year prior to the date of filing of this Draft Prospectus

Sr No	Name	No of Equity Shares	Percentage of the then Equity Share Capital (%)
1.	Mr. Bhavesh H. Shah	44,96,400	44.99
2.	Mr. Hitesh N. Punjani	10,55,000	10.56
3.	Mr. Nikhil Shah	9,25,950	9.27
4.	Mr. Himmatal C. Shah	3,06,000	3.06
5.	Mrs. Sapna Bhavesh Shah	10,64,000	10.65
6.	Ms. Nidhi B. Shah	12,33,450	12.34
7.	Mr. Nirmal Shah	3,48,700	3.49
8.	Mr. Parth Shah	5,50,000	5.50
<b>Total</b>		<b>99,93,900</b>	<b>99.86</b>

d. Two Years prior to the date of filing of this Draft Prospectus

Sr No	Name	No of Equity Shares	Percentage of the then Equity Share Capital (%)
1.	Mr. Bhavesh H. Shah	44,96,400	44.99
2.	Mr. Hitesh N. Punjani	10,55,000	10.56
3.	Mr. Nikhil Shah	9,25,950	9.27
4.	Mr. Himmatal C. Shah	3,06,000	3.06
5.	Mrs. Sapna Bhavesh Shah	10,64,000	10.65
6.	Ms. Nidhi B. Shah	12,33,450	12.34
7.	Mr. Nirmal Shah	3,48,700	3.49
8.	Mr. Parth Shah	5,50,000	5.50

Sr No	Name	No of Equity Shares	Percentage of the then Equity Share Capital (%)
	<b>Total</b>	<b>99,93,900</b>	<b>99.86</b>

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

10. Our Company has not issued any warrants, convertible debentures, loan or any other instrument which would entitle the shareholders to equity shares upon exercise or conversion.

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

## 12. Shareholding of our Promoters

As on the date of this Draft Prospectus, our Promoters hold 55.55% of the pre-Offered, subscribed and paid-up Equity Share Capital of our Company.

Build-up of the shareholding of our Promoters in our Company since incorporation:

Date of Allotment / Transfer	Nature of Offer/ Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
<b>Mr. Bhavesh Himmatlal Shah</b>								
Upon Incorporation	Subscription to MOA	Cash	5,000	5,000	10.00	10.00	0.03	0.02
April 19, 2010	Further Allotment	Cash	3,00,500	3,05,500	10.00	10.00	1.53	1.28
July 31, 2010	Further Allotment	Cash	23,500	3,29,000	10.00	30.00	1.65	1.38
January 30, 2011	Transfer from Mr. Manu Gupta	Cash	2,00,000	5,29,000	10.00	30.00	2.65	2.23
March 30, 2012	Further Allotment	Cash	1,00,000	6,29,000	10.00	30.00	3.15	2.65
March 12, 2016	Right Issue	Cash	10,00,000	16,29,000	10.00	10.00	8.15	6.85
August 20, 2016	Right Issue	Cash	1,05,000	17,34,000	10.00	10.00	8.68	7.30
March 14, 2018	Conversion of Loan	Other than Cash	10,00,000	27,34,000	10.00	10.00	5.00	11.50
March 31, 2020	Conversion of Loan	Other than Cash	14,44,000	41,78,000	10.00	10.00	7.22	17.58
February 10, 2021	Transfer from Bhupendra C. Shah HUF	Cash	3,450	41,81,450	10.00	10.00	20.92	17.60
	Transfer from Bhupendra C. Shah	Cash	71,300	42,52,750	10.00	10.00	21.28	17.90

Date of Allotment / Transfer	Nature of Offer/ Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	% of Pre- Offer Equity Share Capital	% of Post Offer Equity Share Capital
	Transfer from Sushilaben B. Shah	Cash	23,450	42,76,200	10.00	10.00	21.39	18.00
	Transfer from Bhavna B. Gopani	Cash	16,700	42,92,900	10.00	10.00	21.48	18.06
	Transfer from Anil J. Mistry	Cash	76,700	43,69,600	10.00	10.00	21.86	18.39
	Transfer from Satyam Joshi	Cash	45,000	44,14,600	10.00	10.00	22.09	18.58
	Transfer from Nimesh B. Shah (HUF)	Cash	10,000	44,24,600	10.00	10.00	22.14	18.62
	Transfer from Kirti Anil Mistry	Cash	33,500	44,58,100	10.00	10.00	22.30	18.76
	Transfer from Jaya H. Shah	Cash	38,300	44,96,400	10.00	10.00	22.50	18.92
May 05, 2023	Bonus Issue	Other than Cash	44,96,400	89,92,800	10.00	NA	44.99	37.84

#### Mr. Hitesh Natvarlal Punjani

Upon Incorporation	Subscription to MOA	Cash	5,000	5,000	10.00	10.00	0.03	0.02
April 19, 2010	Further Allotment	Cash	50,000	55,000	10.00	10.00	0.03	0.23
March 12, 2016	Right Issue	Cash	10,00,000	10,55,000	10.00	10.00	5.28	4.44
May 05, 2023	Bonus Issue	Other than Cash	10,55,000	12,00,000 <sup>(1)</sup> 9,10,000	10.00	NA	10.56	NA 3.83
<b>Total</b>			<b>1,11,02,800</b>	<b>1,11,02,800</b>			<b>55.55%</b>	<b>41.67%</b>

(1) Out of the total holding of Mr. Hitesh Natvarlal Punjani, shares aggregating to up to 12,00,000 equity shares are offered as part of Offer for Sale

#### 13. The average cost of acquisition or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Bhavesh Himmatlal Shah	89,92,800	5.72
2.	Mr. Hitesh Natvarlal Punjani	21,10,000	5.00

#### 14. Pre-Offer and Post-Offer Shareholding of our Promoters and Promoter Group:

Following are the details of pre and post Issue shareholding of persons belonging to the category "Promoter and Promoter Group":

Category of Promoter	Pre-Offer		Post-Offer	
	No. of Shares	% of Pre-Offer Capital	No. of Shares*	% of Post-Offer Capital
<b>Promoters</b>				
Mr. Bhavesh Himmatlal Shah	89,92,800	44.99%	89,92,800	37.84%
Mr. Hitesh Natvarlal Punjani	21,10,000	10.56%	9,10,000	3.83%

Category of Promoter	Pre-Offer		Post-Offer	
	No. of Shares	% of Pre-Offer Capital	No. of Shares*	% of Post-Offer Capital
<b>Promoter Group</b>				
Mr. Nikhil Shah	18,51,900	9.27%	18,51,900	7.79%
Mr. Himmatal C. Shah	6,12,000	3.06%	6,12,000	2.58%
Mrs. Sapna Bhavesh Shah	21,28,000	10.65%	21,28,000	8.95%
Bhavesh Himmatal Shah HUF	2,000	0.01%	2,000	0.01%
Ms. Nidhi B. Shah	24,66,900	12.34%	11,49,300	4.84%
Mr. Nirmal Shah	6,97,400	3.49%	6,97,400	2.93%
<b>Total</b>	<b>1,88,61,000</b>	<b>94.36%</b>	<b>1,63,43,400</b>	<b>68.77%</b>

\*Post shares offered through OFS.

**Notes:** All Equity Shares held by the Promoter has been dematerialized as on date of this Draft Prospectus.

None of the shares belonging to our Promoter have been pledged till date.

The entire Promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.

Our Promoter has confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoter has been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.

All the shares held by our Promoter, were fully paid-up on the respective dates of acquisition of such shares.

#### 15. Capital Build-up of Promoter Group Selling Shareholder

Date of Allotment / Transfer	Nature of Offer/ Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	% of Pre-Offer Equity Share Capital	% of Post Offer Equity Share Capital
<b>Ms. Nidhi B. Shah</b>								
March 12, 2016	Right Issue	Cash	2,33,450	2,33,450	10.00	10.00	1.17	0.98
March 14, 2018	Preferential Allotment	Cash	10,00,000	12,33,450	10.00	10.00	6.17	5.19
May 05, 2023	Bonus Issue	Other than Cash	12,33,450	13,17,600 <sup>(1)</sup> 11,49,300	10.00	NA	12.34	NA 4.84

(1) Out of the total holding of Ms. Nidhi B. Shah, shares aggregating to up to 13,17,600 equity shares are offered as part of Offer for Sale

#### 16. None of our Directors or Key Managerial Personnel or Senior Management hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares held
Mr. Bhavesh H. Shah	Chairman and Managing Director	89,92,800
Mr. Hitesh N. Punjani	Whole time Director	21,10,000
Ms. Nidhi B. Shah	Whole time Director and CFO	24,66,900
Mr. Parth Shah	Whole time Director and CEO	11,00,000

#### 17. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.

#### 18. Except Bonus issue dated May 05, 2023, no Equity Shares were acquired/ purchased/ sold by the Promoter and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Prospectus.

## 19. Promoter's Contribution and Lock-in details

### ***Details of Promoters' Contribution locked-in for three (3) years***

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20.00% of the post Offer Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment in this Offer. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of the Promoters	No of Equity shares Locked In <sup>(1)</sup>	% Post Offer equity share capital
Mr. Bhavesh H. Shah	42,88,253	18.05%
Mr. Hitesh N. Punjani	4,76,473	2.00%
<b>Total</b>	<b>47,64,726</b>	<b>20.05%</b>

<sup>(1)</sup>For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer "Notes to Capital Structure" on page no. 56 of this Draft Prospectus.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- Equity Shares acquired three years preceding the date of this Draft Prospectus for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoters' Contribution.
- The Equity Shares acquired during the year preceding the date of this Draft Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer is not part of the minimum promoters' contribution;
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' Contribution are not subject to any pledge or any other form of encumbrances.
- Specific written consent has been obtained from the Promoters for inclusion of 47,64,725 Equity Shares for ensuring lock- in of three years to the extent of minimum 20.00% of post Offer Paid-up Equity Share Capital from the date of allotment in the public Offer.
- The minimum Promoters' Contribution consists of Equity Shares allotted to the promoters against the capital for a period of more than one year on a continuous basis.
- The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI ICDR Regulations.
- **We further confirm that our Promoters' Contribution of minimum 20% of the Post Offer Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.**

### ***Equity Shares locked-in for one year other than Minimum Promoters' Contribution***

- i. Pursuant to Regulation 238 (b) of the SEBI (ICDR) Regulations, in addition to the Promoter Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Offer.
- ii. Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoter has been pledged to any person, including banks and financial institutions.

- iii. Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoter, which is locked in as per Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoter/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- iv. Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoter, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

**20.** Neither the Company, nor its Promoters, Directors or the Lead Manager have entered into any buyback and/or stand by arrangements for purchase of Equity Shares of the Company from any person.

**21.** All Equity Shares offered pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful Applicants will be offered fully paid-up Equity Shares.

**22.** As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the SEBI MB Regulations) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

**23.** As on date of this Draft Prospectus, there are no outstanding ESOPs, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOPs till date. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

**24.** Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Offer Procedure*" beginning on page 200 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253 (2) of SEBI ICDR Regulations, as amended from time to time.

**25.** An over-subscription to the extent of 10% of the Net Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 10% of the Net Offer, as a result of which, the post Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Offer paid-up capital is locked in.

**26.** Subject to valid applications being received at or above the Offer Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spillover, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

**27.** Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.

**28.** We have ten (10) Shareholders as on the date of filing of the Draft Prospectus.

**29.** As per RBI regulations, OCBs are not allowed to participate in this Offer.

**30.** Our Company has not raised any bridge loans.

**31.** There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.

**32.** No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Offer.

33. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
34. Our Promoters and Promoter Group will not participate in the Offer, except to the extent of the Offer for Sale by the Selling Shareholders.
35. There are no safety net arrangements for this Public Offer.
36. Our Company has not re-valued its assets and we do not have any revaluation reserves till date.

## SECTION V – PARTICULARS OF THE OFFER

### OBJECTS OF THE OFFER

#### **Issue Proceeds & Net Issue Proceeds**

The details of the proceeds of the Fresh Issue and Offer for Sale by the Selling Shareholders.

#### **The Offer for Sale**

The Selling Shareholders propose to sell an aggregate of up to 25,17,600 Equity Shares held by him, aggregating up to ₹ [●] lakhs. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders.

#### **Fresh Issue**

The details of the proceeds from the Fresh Issue are summarized in the following table:

(₹ in lakhs except share data)		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount</b>
1	Gross Proceeds of the Fresh Issue	[●]
2	(Less): Offer expenses in relation to the Fresh Issue <sup>(1)</sup>	[●]
	<b>Net Proceeds of the Fresh Issue</b>	[●]

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

#### **Requirement of funds**

Our Company proposes to utilise the Net Proceeds towards funding the following objects (collectively referred to as the “Objects”):

1. Funding Working Capital Requirement
2. Prepayment or repayment, in part, of certain borrowings availed by our Company
3. Setting up of Office Space
4. General Corporate Purpose

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

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

#### **Proposed Schedule of Implementation and Deployment of the Net Proceeds**

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

(₹ in lakhs)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount to be funded from the Net Proceeds</b>	<b>Amount to be deployed from the Net Proceeds in FY 2023-24</b>
1.	Funding Working Capital Requirement	684.64	684.64
2.	Prepayment or repayment, in part, of certain borrowings availed by our Company	400.00	400.00
3.	Setting up of Office Space	330.70	330.70
4.	General Corporate Purpose	[●]	[●]

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Amount to be deployed from the Net Proceeds in FY 2023-24
	<b>Total</b>	[●]	[●]

### Requirements of Funds and Means of Finance

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, quotations from suppliers, and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, including changes in design or configuration of the equipment and other external factors including changes in the price of the equipment due to variation in commodity prices which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, subject to compliance with applicable law. For further details, see “*Risk Factors*” on page 23 of this Draft Prospectus.

The Objects of the Offer for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds is entirely at the discretion of our management and as per the details mentioned in the section titled “*Objects of the Offer*”. Any revision in the estimates may require us to reschedule our expenditure and may have a bearing on our expected revenues and earnings”. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects of the Offer, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Fiscals towards the aforementioned objects

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance.

In case of a shortfall in raising the requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking additional debt from existing and/or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Further, in case of variations in the actual utilization of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company. The Objects may be varied in the manner provided in “*Objects of the Offer – Variation in Objects*” on page 71 of this Draft Prospectus.

### Details of the Objects

The details of the Objects of the Offer are set out below:

#### 1. Funding Working Capital Requirement

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. Our Company requires additional working capital for funding future growth requirements of our Company. For the aggregate amount sanctioned by the banks to our Company under the fund based working capital facilities, please refer “*Financial Indebtedness*” on page no. 169 of this Draft Prospectus.

#### Basis of estimation of working capital requirement

Our Company’s existing working capital requirement on the basis of our Restated Financial Statements for the Fiscals 2021, 2022 and 2023 and Projected Financials for the Fiscal 2023- 2024 is as set out in the table below:

(₹ in lakhs)

Sr. No.	Particulars	Fiscal 2020-21 (Restated)	Fiscal 2021-22 (Restated)	Fiscal 2022-23 (Restated)	Fiscal 2023-24 (Projected)
<b>I.</b>	<b>Current Assets:</b>				
1.	Inventories	1,138.94	2,065.19	2,027.65	2,909.47
2.	Trade Receivables	130.94	39.41	23.66	90.75
3.	Cash & Bank Balance	69.40	388.55	151.14	190.35
4.	Short Term Loans and Advances	Nil	Nil	Nil	Nil
5.	Other Current Assets	170.26	151.38	109.79	177.17
	<b>Total Current Assets (A)</b>	<b>1,509.54</b>	<b>2,644.53</b>	<b>2,312.24</b>	<b>3,367.74</b>
<b>II.</b>	<b>Current Liabilities</b>				
1.	Trade Payables	139.16	319.78	144.53	232.16
2.	Other Current Liabilities	372.35	273.43	306.49	586.69
	<b>Total Current Liabilities (B)</b>	<b>511.51</b>	<b>593.21</b>	<b>451.02</b>	<b>818.85</b>
<b>III.</b>	<b>Total Working Capital Gap (A – B)</b>	<b>998.03</b>	<b>2,051.32</b>	<b>1,861.22</b>	<b>2,548.90</b>
<b>IV.</b>	<b>Funding Pattern:</b>				
1.	Unsecured loans from Directors	Nil	190.70	104.00	104.00
2.	Short term borrowings from bank (current maturity of loan terms loans)	20.50	145.68	30.10	30.10
3.	Owned Funds and Internal Accruals	977.53	1714.94	1727.12	1,730.16
4.	Part of the Net proceeds to be utilized	-	-	-	<b>684.64</b>

Our Statutory Auditor has, pursuant to the certificate dated June 13, 2023, certified the working capital estimates of our Company for the Fiscal 2023-2024.

#### ***Justification for holding period levels***

Particulars	Details
<b>Current Assets</b>	
Inventories	Inventory consist of our stock in trade held for proprietary trading activity. Our company apart from being a fee based financial services company also operates as a robust proprietary trading desk. We have a vision to increase operational activities for the same and hence we have provisioned the increase in inventory holding values accordingly.
Trade Receivables	Our company does not provide substantial credit to our customers. Hence, we have provisioned 12 days as an average debtor cycle.
<b>Current Liabilities</b>	
Trade Payables	We do not have a material credit period from suppliers in our business. Hence, we have estimated trade payable amount as an average of last two years closing figures respectively.

#### ***2. Prepayment or repayment, in part, of certain borrowings availed by our Company***

As on March 31, 2023 our total outstanding borrowings is ₹1,373.86 lakhs out of which borrowings from Financial Institutions is amounted to ₹ 557.6 lakhs respectively. Our Company proposes to utilize an estimated amount of ₹ 400 lakhs proceeds towards full or partial repayment or pre-payment of certain borrowings availed from the lenders by our Company. Our Company has entered into various financial arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowing in the form of, inter alia, term loans and working capital facility from various lenders. For further details, see “Financial Indebtedness” on page 169 of this Draft Prospectus. Our Company proposes to utilize an estimated amount of ₹ 400 lakhs from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings, listed below, availed from the lenders by our Company.

Such prepayment charges, as applicable, will be funded from the internal accruals of our Company. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs, assist us in maintaining a favorable debt to equity ratio and enable utilization of our internal accruals for further investment in our business growth and expansion. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The details of the borrowings availed by our Company, which are proposed to be fully or partially repaid or pre-paid from the Net Proceeds is mentioned below: -

Sr. No	Name of the lender	Nature of the borrowing	Sanctioned amount (in ₹ lakhs)	Amount Outstanding as at March 31, 2023 (in ₹ lakhs)	Rate of interest (%)	Repayment date/ Schedule	Prepayment Penalty	Purpose for which the loan was sanctioned*	Repayment from the net proceeds of the issue in ₹ lakhs)*
1	ICICI Bank	Term loan	400	352.55	Floating rate of interest 8.15% to 9.05%	Payable in 263 equal monthly instalments starting from the month following the month of first disbursement ie. 11th April 2022	Nil	Non Residential Purchase Loan	326.00
2	ICICI Bank	Term loan	190.00	60.70	Floating rate of interest 8.70% to 10.95%	Payable in 180 equal monthly installments starting from the month following the month of first disbursement ie. 5th November 2019	Nil	Loan against Property	45.00
3	Yes Bank	Term loan	155.00	144.10	9.5%	Payable in 182 equal monthly instalments starting from the month following the month of first disbursement ie. 15th January 2021	4% (Not applicable upto 20% of o/s amt)	Loan against Property	29.00

*Note: The details included in the above table have been certified by our Statutory Auditors pursuant to their certificate dated June 13, 2023.*

*\*In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, we have obtained a certificate dated June 13, 2023 from the Statutory Auditors, certifying that the borrowings have been utilized towards the purposes for which such borrowings were availed by us.*

### **3. Setting up of Office Space**

Our Company has acquired two office space of having total carpet area is 374.72 sq. mt. on ownership basis for setting up the office space. The office space situated at Office No. 217, "A" Wing, 2nd Floor of Project ICON, Behind Poisor Depot, Kandivali (West) Mumbai – 400067 and Office No. 317, "A" Wing, 3rd Floor of Project ICON, Behind Poisor Deposit, Kandivali (West) Mumbai – 400067

### **Interiors and Furnishing**

Such premises require interior and furnishing work such as, to install fixtures, fittings and furniture for the proposed office premises. These costs would include costs in relation to fit-out charges including, civil work, plumbing, carpentry, sofa - chair, electrical installations, painting, air conditioning, sliding metal compactor system etc. We have prepared a cost estimate for executing, designing, supervision and producing all relevant interiors drawing based on quotations dated April

03, 2023 received from D3M Furniture Private Limited (Interior Designer) which aggregates to ₹ 254.71 Lakhs. The detailed break-down of the estimated cost for installation of the fixtures, fittings and furniture along with details of the quotation, as applicable, is set forth below.

Sr.No.	Particulars	Amount (₹ in lakhs)
1.	Civil Works includes basic civil works, flooring, pantry, toilet	16.17
2.	Civil Materials includes flooring tiles, staircase cladding, artificial quartz for kitchen, tiles for walls, Italian marbles etc.	13.02
3.	Plumbing works	3.36
4.	Electrification	31.40
5.	POP works	11.60
6.	Carpentry Works	93.37
7.	Loose Furniture (Chairs & Sofas)	25.47
8.	Aluminium Window and A C P Work	0.52
9.	Painting and Polishing	26.23
10.	Rollers Blinds	5.67
11.	Compactors Storage for filling of first floor	2.00
12.	Air-condition high side and low side	22.40
13.	Fabrication work of Staircase and Railing	3.50
<b>Total</b>		<b>254.71</b>

\*As on May 17, 2023, our Company has paid ₹ 5 lakhs as an advance towards interiors and furnishing from internal accruals which it desires to recoup these from proceeds of IPO.

#### Purchase of Systems and Software's

Our company proposes to incur a total expenditure of approximately ₹ 75.96 lakhs towards purchase of new systems and software i.e. Hardware, Software and Other office equipment's to be installed in the office space. The estimates for the aforesaid costs are based on quotations dated June 12, 2023 received from HP Systems. We intend to purchase the following systems and software:

S. No.	Product Description	Qty	Rate/Unit	Amount (₹ in lakhs)
1	HP Rack Server Intel Xeon -Silver 16 Core 2.4 GHZ /32 GB RAM DDR4-3200R/HPE SmartArrey P408i-a SR GEN10/BCM57416 10GB 2 Port Base T Adapter/3 Years Support/HPE 480 Sata RI SFF BC MV SSD Hard Disk	4	3,60,000	14.40
2	Dell Desktop for Dealers Dell Desktop / I5 Processor /8 GB RAM /256GB SSD Hard Disk/18.5 Led Screen /TVS Gold Keyboard /Dell Mouse	35	35000	12.25
3	Desktop for Dealers Dell Desktop / I 5 Processor /8 GB RAM /256GB SSD Hard Disk/18.5 LED Screen /TVS Gold Keyboard/Dell Mouse	40	60,000	24.00
4	27u Rack 800*1000/Cooling Fan/90CFM Complete with Finger Guard and Power Supply Cords	2	4,0000	0.80
5	Sony Bravia 139cm (55inc) 4k UltrasmartO LED	4	1,40,000	5.60
6	Hikvision NVR DS -7616NI-K2	4	50,000	2.00
7	CCTV Camera Surveillance HDD	4	1,6000	0.64
8	Beetel M71N Caller ID Landline Phone	68	2,000	1.36
9	NEC SL 2100 Epabx/Cable /Setup	1	80,000	0.80
10	APC Smart 6000VA 230V UPS	4	80,000	3.20
11	Exide Battery 12V-42AH	64	5000	3.20
12	ESSL F22 Biometric Fingerprint	10	12,000	1.20
13	Aruba Instant ON 1830 48G 4SFP Switch	2	65,700	1.31
14	Microsoft Windows 2022 STD License	4	60,000	2.40
15	SOPHOS XG155 Enterprise Guard for Servers	4	70,000	2.80
<b>Total</b>				<b>75.96</b>

Notes:

- a) We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them except ₹ 5 lakhs as an advance towards interiors and furnishing from internal accruals which it desires to recoup these from proceeds of IPO. The actual cost of procurement and actual vendor may vary.
- b) All quotations received from the vendors mentioned above are valid as on the date of this Draft Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the system and software and for the interiors and furnishing work or at the same costs.
- c) We have received a composite quotation from D3M Furniture Private Limited (Interior Designer) which is based on the various vendors quotation received by them but the payment will be made to the actual vendors by our Company.
- d) The quotations relied upon by us in arriving at the above cost are valid for a specific period and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of interiors and furnishing work and new systems and software at the actual time of purchase. Further all amounts are exclusive of taxes.

#### **4. General Corporate Purpose**

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

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

We confirm that any offer related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that in terms of Regulation 230(2) of the SEBI ICDR Regulations, the extent of the Net Proceeds according to this Draft Prospectus, proposed to be used for general corporate purposes, shall not exceed 25% of the amount raised by our Company through the Issue of Equity Shares.

#### **Offer Related Expenses**

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (₹ in lakhs)<sup>(I)</sup></b>	<b>% of Total Expenses<sup>(I)</sup></b>	<b>% of Total Offer size<sup>(I)</sup></b>
1	Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[●]	[●]%	[●]%
2	Brokerage and selling commission <sup>(2)(3)(4)</sup>	[●]	[●]%	[●]%
3	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]%	[●]%
4	Advertisement and Marketing Expenses	[●]	[●]%	[●]%
5	Stock Exchange Fees, Regulatory and other Expenses	[●]	[●]%	[●]%
<b>Total</b>		<b>[●]</b>	<b>[●]%</b>	<b>[●]%</b>

<sup>(I)</sup> Will be incorporated at the time of filing of the Prospectus and on determination of Offer Price and other details.

#### **Appraisal**

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

in light of changes in external circumstances or in our financial condition, business or strategy.

#### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

#### **Bridge Financing Facilities**

As on the date of the Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

#### **Monitoring Utilization of Funds**

As the size of the Offer will not exceed ₹10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the offer as stated above.

#### **Interim Use of Proceeds**

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

#### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Offer without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

#### **Other confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and senior management, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our directors, or key managerial personnel and senior management except in the normal course of business and in compliance with the applicable laws.

## BASIS OF OFFER PRICE

*The Offer Price has been determined by our Company and selling shareholders in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Offer Price is ₹ [●] per Equity Share and is [●] times of the face value. Investors should read the following basis with the sections titled “Risk Factors”, “Financial Information” and the chapter titled “Our Business” beginning on page nos. 23, 132, and 93 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.*

### Qualitative Factors

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

1. Experienced Promoters and management team
2. Diversified yet integrated mix of business
3. Long term relationship with the clients
4. Timely service
5. Strong Financial performance

For more details on qualitative factors, refer to chapter “Our Business” on page no 93 of this Draft Prospectus.

### Quantitative Factors

The information presented in this section is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Financial Statements as Restated” on page no 132 of this Draft Prospectus.

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

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

Year ended March 31,	Basic & Diluted	
	EPS (in ₹)	Weights
2023	2.84	3
2022	2.47	2
2021	2.51	1
<b>Weighted Average</b>	<b>2.66</b>	

#### Notes:

- a. The face value of each Equity Share is ₹ 10 each.
- b. Basic EPS has been calculated as per the following formula:

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

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

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

- d. Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together with paragraph 7 of Companies (Accounting) Rules, 2014.
- e. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in “Annexure 2 & 3 - Financial Information” beginning on page no. 132 this Draft Prospectus.

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

Particulars	P/E
P/E ratio based on Basic and Diluted EPS as at March 31, 2023	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]

Industry P/E Ratio*	(P/E) Ratio
Highest- Gogia Capital Services Limited	109.40
Lowest – Jindal Poly Investment and Finance Company Ltd	2.20
Industry Average	20.90

\*Source: Capital Market, Vol No.XXXVIII/11/38SHPKTP11, July 10 - 23, 2023; Segment: Finance and Investments

**3. Return on Net worth (RoNW)**

Year ended March 31,	RoNW (%)	Weight
2023	27.88%	3
2022	32.53%	2
2021	49.00%	1
<b>Weighted Average</b>		<b>32.95%</b>

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

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

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

Financial Year	NAV (₹)
NAV as at March 31, 2023-Before Bonus Issue	20.37
NAV as at March 31, 2023-After Bonus Issue <sup>(1)</sup>	10.18
NAV after Issue	[●]
Offer Price (₹)	[●]

<sup>(1)</sup> On May 05, 2023, the Company has issued and allotted 99,93,900 equity shares having face value of ₹ 10 each by way of Bonus Shares in ratio of 1:1 to the existing shareholders.

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

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

**5. Key Performance Indicators**

All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 13, 2023 and the Audit Committee has confirmed that it has verified and audited details of all the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Draft Prospectus, if any. During the three years period prior to the date of filing of this Draft Prospectus, no fresh allotment was made except for issuance of equity shares on bonus issue as disclosed in this section and section entitled “Capital Structure” on page no 56 of this Draft Prospectus. Further, the KPIs herein have been certified by M/s. J.D. Shah Associates., Statutory Auditor, by their certificate dated June 13, 2023. For further details, please refer to the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 93 and 162, respectively.

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from Operations	2,054.40	1,228.87	709.94
EBITDA <sup>(1)</sup>	897.85	798.20	480.39
EBITDA Margin (%) <sup>(2)</sup>	43.70%	64.95%	67.67%
Restated profit for the period / year	567.63	493.76	501.85
Restated profit for the period / year Margin (%) <sup>(3)</sup>	27.63%	40.18%	70.69%
Return on Average Equity ("RoAE") (%) <sup>(4)</sup>	31.95%	38.85%	64.99%
Return on Capital Employed ("RoCE") (%) <sup>(5)</sup>	25.95%	30.44%	26.61%
Net Debt / EBITDA Ratio	1.35	0.82	1.25

Notes:

<sup>(1)</sup> EBITDA is calculated as restated profit for the period / year plus tax expense plus depreciation and amortization plus finance costs plus exceptional items.

<sup>(2)</sup> EBITDA Margin is calculated as EBITDA divided by revenue from operations.

<sup>(3)</sup> Restated profit for the period / year margin is calculated as restated profit for the period / year divided by revenue from operations.

<sup>(4)</sup> RoAE is calculated as Net profit after tax divided by Average Equity.

<sup>(5)</sup> RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the section “*Objects of the Offer*”, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations as amended from time to time.

#### **Explanation for the Key Performance Indicators**

**Revenue from operations:** Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company.

**EBITDA:** EBITDA is calculated as Restated profit / loss for the period plus tax expense plus depreciation and amortization plus finance costs and any exceptional items. EBITDA provides information regarding the operational efficiency of the business of our Company.

**EBITDA margin:** EBITDA Margin the percentage of EBITDA divided by revenue from operations and is an indicator of the operational profitability of our business before interest, depreciation, amortisation, and taxes.

**Restated profit for the period / year:** Restated profit for the period / year represents the profit / loss that our Company makes for the financial year or during a given period. It provides information regarding the profitability of the business of our Company.

**Restated profit for the period / year margin:** Restated profit for the period / year Margin is the ratio of Restated profit for the period / year to the total revenue of the Company. It provides information regarding the profitability of the business of our Company as well as to compare against the historical performance of our business.

**Return on Average Equity (“RoAE”):** RoAE refers to Restated profit for the period / year divided by Average Equity for the period. Average Equity is calculated as average of the total equity at the beginning and ending of the period. RoAE is an indicator of our Company’s efficiency as it measures our Company’s profitability. RoAE is indicative of the profit generation by our Company against the equity contribution.

**Return on Capital Employed (“RoCE”):** RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed by the Company for the period. RoCE is an indicator of our Company’s efficiency as it measures our Company’s profitability. RoCE is indicative of the profit generation by our Company against the capital employed.

**Net Debt/ EBITDA:** Net Debt to EBITDA is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. It shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.

## 6. Past Transfer(s) / Allotment(s)

There has been no issuance of Equity Shares or convertible securities, (excluding the shares issued under issuance of bonus shares), during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s)), in a single transaction or multiple transactions.

There have been no secondary sales / acquisitions of Equity Shares or any convertible securities (where promoter / promoter group entities or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction) equivalent to or exceeding 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s)), whether in a single transaction or a group of transactions during the 18 months preceding the date of this Draft Prospectus.

Further we had not undertaken any primary / new issuance of Equity Shares or any convertible securities during the period of preceding three years from the date of this Draft Prospectus except for issuance of equity shares on bonus issue as disclosed in the section entitled “*Capital Structure*” on page no. 56 of this Draft Prospectus.

Weighted Average Cost of Acquisition (WACA) based on primary / secondary transactions (secondary transactions where by promoter / promoter group entities or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction) during the 3 years preceding the date of this Draft Prospectus (irrespective of the size of transactions) is given below:

Past Transactions		WACA	IPO Price
WACA of Primary issuance*		Nil	NA
WACA of Secondary transactions		10	[●] times

\**Excluding the shares issued under issuance of bonus shares*

## 7. Peer Group Comparison of Accounting Ratios:

Particulars	CMP*	EPS (₹)		PE Ratio		RONW (%)	NAV per share(₹)	Face Value (₹)	Revenue from Operations (₹ in Lakhs)
		Basic	Diluted	Basic	Diluted				
Shreni Shares Limited(i)	[●]	2.84	2.84	[●]	[●]	27.88	20.37	10.00	2054.40
Peer Group **									
Share India Securities Ltd	1286.25	102.68	89.23	12.53	14.42	32.73%	308.90	10.00	1,08,823.41
Gretex Corporate Services Ltd	290.00	17.26	17.26	16.80	16.80	56.52%	102.36	10.00	1,262.57
Galactico Corporate Services Ltd	9.97	0.67	0.67	14.88	14.88	33.07%	1.98	1.00	3,441.67

\* CMP for our Company shall be considered as Offer Price

\*\*Source: [www.bseindia.com](http://www.bseindia.com).

Notes:

(i) The figures of Shreni Shares Limited are based on restated financial statements for the year ended March 31, 2023.

(ii) Current Market Price (CMP) is the closing price of peer group scripts as on June 16, 2023.

(iii) The figures for the peer group are based on the standalone audited financials for the year ended March 31, 2023.

8. The face value of our share is ₹10.00 per share and the *Offer Price* is of ₹ [●] per share are [●] times of the face value.

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

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
Shreni Shares Ltd,  
(Formerly known as Shreni Shares Pvt Ltd)  
A-102, Sea Lords CHS,  
Ram Nagar,  
Borivali West,  
Mumbai- 400092

Dear Sir,

**Subject: Statement of possible tax benefits ('the Statement') available to Shreni Shares Limited ("the Company") formerly known as Shreni Shares Pvt Ltd and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended ('the Regulation')**

We hereby confirm that the enclosed Annexure 1 and 2 (together "the Annexures"), prepared by Shreni Shares Limited ('the Company'), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2023, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), as amended by the Finance Act 2023 circular and notifications issued from time to time, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India (together, the" Tax Laws"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are 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 proposed initial public offering.
2. 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;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
4. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

5. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Prospectus /Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

Yours faithfully,

**For J D Shah Associates.**

Chartered Accountants  
FRN: 109601W

Jayesh D. Shah  
**Partner**  
Membership No: 042167  
Place: Mumbai

Date: June 13, 2023  
UDIN: 23154232BGWYPB9759

## **ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

Section 115BAA has been inserted in the Act w.e.f. 1 April 2020 (A.Y. 2020-21). Section 115BAA of the Act grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the said option will not be required to pay Minimum Alternate Tax ('MAT') on their 'book profits' under section 115JB of the Act. However, such a company will no longer be eligible to avail specified exemptions / incentives/deductions under the Act and will also need to comply with the other conditions specified in section 115BAA of the Act. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has not opted to apply section 115BAA of the Act for Financial Year 2022-23.

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

As per section 112A of the Income-tax Act, 1961 ('the Act'), long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed Rs. 100,000. As per section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfilment of prescribed conditions under the Act.

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
4. The above is as per the current Tax Laws
5. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company
6. The possible special tax benefits are subject to several conditions and eligibility criteria which need to be examined for precise tax implications
7. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Prospectus /Prospectus.

## **ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the GST Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

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

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the GST Act

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Prospectus /Prospectus.

## **SECTION VI – ABOUT OUR COMPANY**

### **INDUSTRY OVERVIEW**

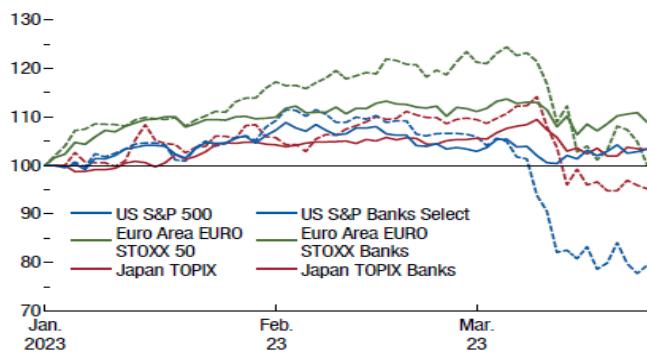
*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications, publicly available documents and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page nos. 23 17and 132 of this Draft Prospectus.*

#### **GLOBAL ECONOMY OVERVIEW**

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks - most notably, the COVID-19 pandemic and Russia's invasion of Ukraine - manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored. Although telegraphed by central banks, the rapid rise in interest rates and anticipated slowing of economic activity to put inflation on a downward path have, together with supervisory and regulatory gaps and the materialization of bank-specific risks, contributed to stresses in parts of the financial system, raising financial stability concerns. Banks' generally strong liquidity and capital positions suggested that they would be able to absorb the effects of monetary policy tightening and adapt smoothly. However, some financial institutions with business models that relied heavily on a continuation of the extremely low nominal interest rates of the past years have come under acute stress, as they have proved either unprepared or unable to adjust to the fast pace of rate rises. The unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse - a globally significant bank—have roiled financial markets, with bank depositors and investors reevaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. The loss of confidence in Credit Suisse resulted in a brokered takeover. Broad equity indices across major markets have fallen below their levels prior to the turmoil, but bank equities have come under extreme pressure (Figure 1.1). Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and nonbank financial institutions and their implications for the likely near-term path of the economy. Financial conditions have tightened, which is likely to entail lower lending and activity if they persist.

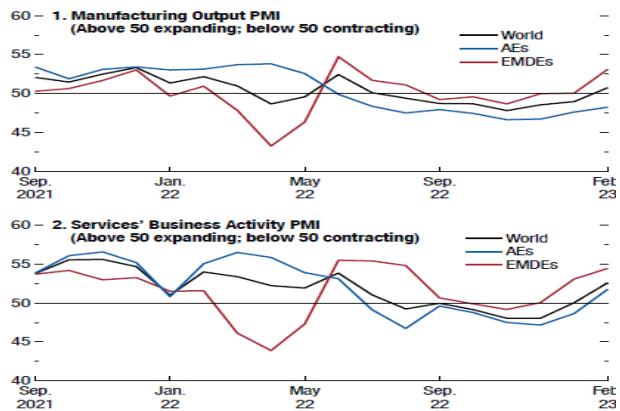
Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year (Figure 1.2, panels 1 and 2). Russia's invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning of a significant reorientation and adjustment across many economies. More contagious COVID-19 strains emerged and spread widely. Outbreaks particularly affected activity in economies in which populations had lower levels of immunity and in which strict lockdowns were implemented, such as in China. Although these developments imperiled the recovery, activity in many economies turned out better than expected in the second half of 2022, typically reflecting stronger-than-anticipated domestic conditions. Labor markets in advanced economies—most notably, the United States—have stayed very strong, with unemployment rates historically low. Even so, confidence remains depressed across all regions compared with where it was at the beginning of 2022, before Russia invaded Ukraine and the resurgence of COVID-19 in the second quarter.

**Figure 1.1. Broad Equity and Bank Equity Indices for Selected Major Economies**  
(Index; January 1, 2023 = 100)



Sources: Bloomberg Finance L.P., and IMF staff calculations.  
Note: Latest data available are for March 28, 2023.

**Figure 1.2. Early 2023 Activity Indicators Strengthened but Confidence Remained Depressed**  
(Indices)



With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The major forces that affected the world in 2022—central banks' tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high debt levels, commodity price spikes and geoeconomic fragmentation with Russia's war in Ukraine, and China's economic reopening—seem likely to continue into 2023. But these forces are now overlaid by and interacting with new financial stability concerns. A hard landing—particularly for advanced economies—has become a much larger risk. Policymakers may face difficult trade-offs to bring sticky inflation down and maintain growth while also preserving financial stability.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>)

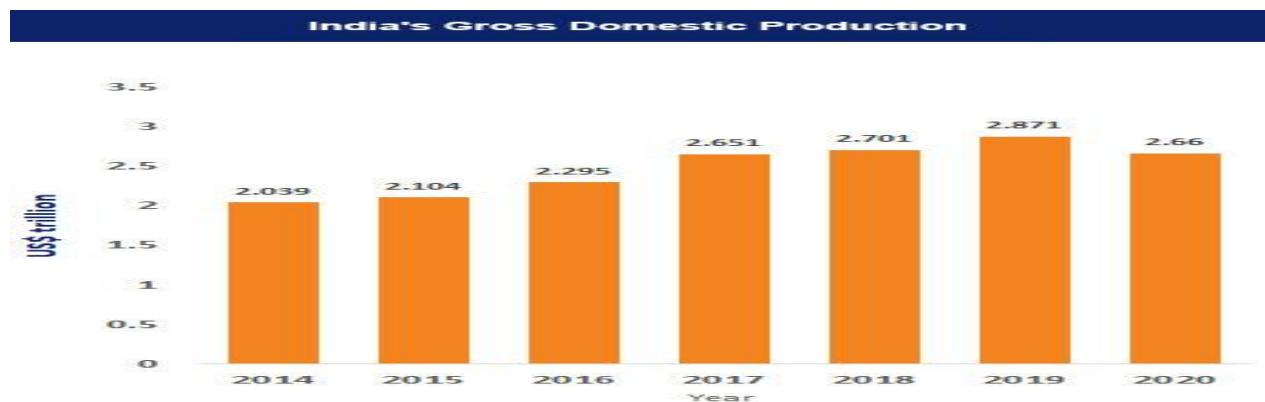
## INDIAN ECONOMIC OVERVIEW

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 rationalization 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.

## MARKET SIZE



India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 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 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

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.

## 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 prioritise 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 September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crores (US\$ 17.92 billion).
- Between April 2000 - June 2022, cumulative FDI equity inflows to India stood at US\$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.

- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crores (US\$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

## 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, signaling 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>)

## GLOBAL FINANCIAL SERVICES MARKET

The financial services market reached a value of nearly \$23,328.73 billion in 2021, having grown at a compound annual growth rate (CAGR) of 3.5% since 2016. The market is expected to grow from \$23,328.73 billion in 2021 to \$33,313.50 billion in 2026 at a rate of 7.4%. The market is then expected to grow at a CAGR of 6.3% from 2026 and reach \$45,149.00 billion in 2031.

The financial services market is segmented by type into lending and payments, insurance, reinsurance and insurance brokerage, investments and foreign exchange services. The lending and payments market was the largest segment of the financial services market segmented by type, accounting for 33.6% of the total in 2021. Going forward, the investments segment is expected to be the fastest growing segment in the financial services market segmented by type, at a CAGR of 9.3% during 2021-2026.

The lending and payments market is further segmented by type into lending and cards and payments. The lending market was the largest segment of the lending and payments market segmented by type, accounting for 90.3% of the total in 2021. Going forward, the cards and payments segment is expected to be the fastest growing segment in the lending and payments market segmented by type, at a CAGR of 8.5% during 2019-2023.

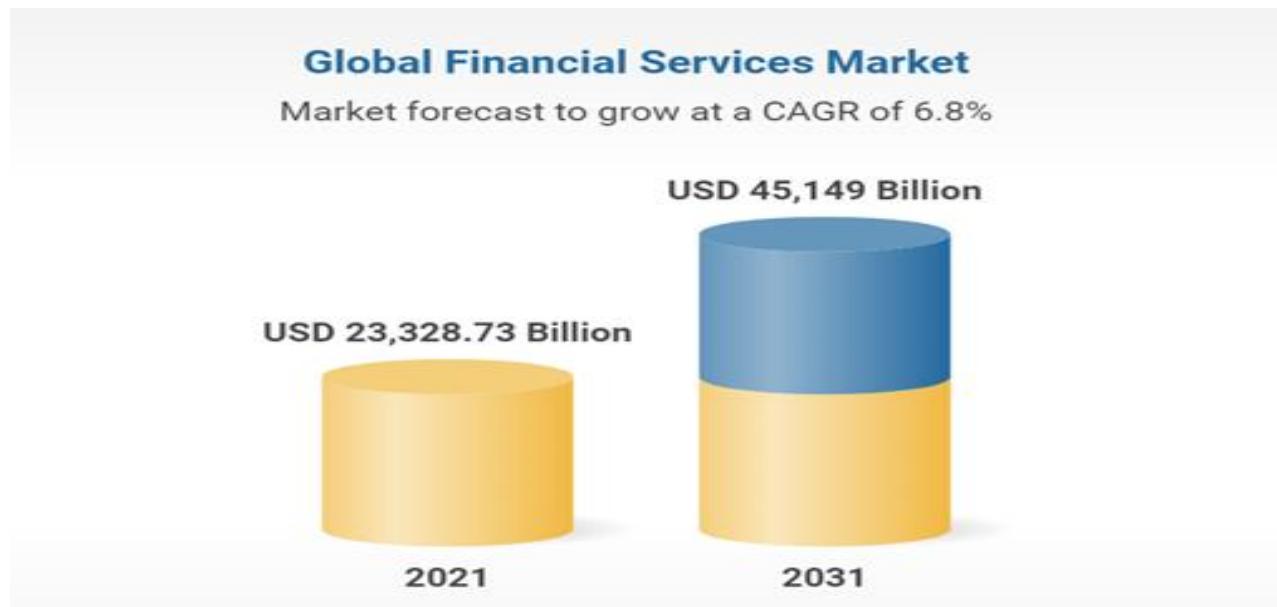
The investments market is further segmented by type into securities brokerage and stock exchange services, wealth management and investment banking. The securities brokerage and stock exchange services market was the largest segment of the investments market segmented by type, accounting for 48.1% of the total in 2021. Going forward, the wealth management segment is expected to be the fastest growing segment in the investments market segmented by type, at a CAGR of 9.8% during 2021-2026.

The financial services market is also segmented by size of business into small and medium business and large business. The small and medium business market was the largest segment of the financial services market segmented by size of business, accounting for 84.5% of the total in 2021. Going forward, the large business segment is expected to be the fastest growing segment in the financial services market segmented by size of business, at a CAGR of 7.5% during 2021-2026.

The financial services market is also segmented by end user into corporates, individuals, investment institution and government. The corporates market was the largest segment of the financial services market segmented by end user,

accounting for 32.5% of the total in 2021. Going forward, the investment institution segment is expected to be the fastest growing segment in the financial services market segmented by end user, at a CAGR of 7.7% during 2021-2026.

The top opportunities in the financial services market segmented by size of business will arise in the small and medium business market segment, which will gain \$8,386.1 billion of global annual sales by 2026. The top opportunities in the financial services market segmented by end user will arise in the corporates market segment, which will gain \$3,264.5 billion of global annual sales by 2026. The financial services market size will gain the most in UK at \$2,308.4 billion.



(Source: <https://www.researchandmarkets.com/reports>)

## INDIAN FINANCIAL SERVICES MARKET

India's financial services industry has experienced huge growth in the past few years. This momentum is expected to continue. India's private wealth management Industry shows huge potential. India is expected to have 6.11 lakh HNWIs by 2025. This will indeed lead India to be the fourth largest private wealth market globally by 2028. India's insurance market is also expected to reach US\$ 250 billion by 2025. This will further offer India an opportunity of US\$ 78 billion of additional life insurance premiums from 2020-30.

India is today one of the most vibrant global economies on the back of robust banking and insurance sectors. The relaxation of foreign investment rules has received a positive response from the insurance sector, with many companies announcing plans to increase their stakes in joint ventures with Indian companies. Over the coming quarters, there could be a series of joint venture deals between global insurance giants and local players.

As of January 2023, AUM managed by the mutual funds industry stood at Rs. 39.62 trillion (US\$ 478.08 billion). Inflow in India's mutual fund schemes via systematic investment plan (SIP) stood at Rs. 1.5 lakh crore (US\$ 18.09 billion). Equity mutual funds registered a net inflow of Rs. 22.16 trillion (US\$ 294.15 billion) by end of December 2021. The net inflows were US\$ 888 million (Rs 7,303.39 crore) in December as compared to a 21-month low of US\$ 274.8 million (Rs 2,258.35 crore) in November 2022.

Furthermore, India's leading bourse, Bombay Stock Exchange (BSE), will set up a joint venture with Ebix Inc to build a robust insurance distribution network in the country through a new distribution exchange platform. In FY23, US\$ 7.17 billion was raised across 40 initial public offerings (IPOs). The number of companies listed on the NSE increased from 135 in 1995 to 2,113 by FY23 (till December 2022).

According to the statistics by the Futures Industry Association (FIA), a derivatives trade association, the National Stock Exchange of India Ltd. (NSE) emerged as the world's largest derivatives exchange in 2020 in terms of number of contracts traded. NSE was ranked 4th worldwide in cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for CY2020.

## **Investments/Developments**

The Financial Services Industry has seen major achievements in the recent past:

- In November 2022, Unified Payments Interface (UPI) recorded 7.30 billion transactions worth Rs. 12.11 trillion (US\$ 148.63 billion).
- The number of transactions through immediate payment service (IMPS) reached 482.46 million (by volume) and amounted to Rs. 4.66 trillion (US\$ 57.05 billion) in October 2022.
- India's PE/VC investments were at US\$ 77 billion in 2021, which was 62% higher than 2020.
- In September 2021, Piramal Group concluded a payment of Rs. 34,250 crores (US\$ 4.7 billion) to acquire Dewan Housing Finance Corporation (DHFL).

## **Government Initiatives**

Some of the major Government Initiatives are:

- In September 2021, the international branch of the National Payments Corporation of India (NPCI), NPCI International Payments (NIPL), has teamed with Liquid Group, a cross-border digital payments provider, to enable QR-based UPI payments to be accepted in 10 countries in north and southeast Asia.
- On September 30, 2021, the IFSC Authority constituted an expert committee to recommend approach towards development of sustainable finance hub and provide road map for the same.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose-specific digital payment solution. e-RUPI is a QR code or SMS string-based e-voucher that is sent to the beneficiary's cell phone. Users of this one-time payment mechanism will be able to redeem the voucher at the service provider without the usage of a card, digital payments app, or internet banking access.
- On September 30, 2021, the Reserve Bank of India communicated that the applicable average base rate to be charged by non-banking financial company - micro finance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.

(Source: <https://www.ibef.org/industry/financial-services-india>)

## OUR BUSINESS

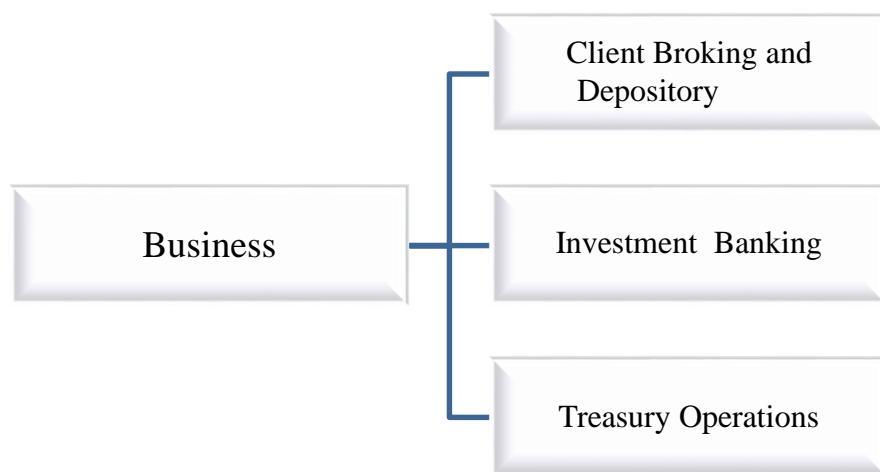
*The following chapter is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information of the Company” beginning on page 23, 162 and 132 respectively of this Draft Prospectus. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to “SSL”, ‘the Company’, ‘our Company’ and ‘the Company’ and the terms ‘we’, ‘us’ and ‘our’, are to Shreni Shares Limited.*

### Overview

Our company is engaged in the business of Client Broking, Investment Banking & and Treasury Operations. We offer diversified financial and advisory services in the areas of Capital Markets, Corporate Restructuring, Valuations. We work under the guidance of our promoters, Bhavesh Himmatlal Shah and Hitesh Natvarlal Punjani, who have been instrumental in evolving our business operations, growth and future prospects.

We obtained registration with SEBI as Stock Broker (Member of BSE and NSE) in the year 2010. Further, in the same year, we obtained registration as a clearing member in Equity, Equity Derivative and Currency Derivative segments with NSE Clearing Limited (“NCL”) and Indian Clearing Corporation Limited (“ICCL”). Looking into the opportunities in the Depository and Participants business, we forayed into the depositories business and received permanent registration from SEBI as Depository Participant of the Central Depository Services (India) Limited (“CDSL”) in the year 2012. With a plan to further diversify the operations of the company from Client broking and Depository services, our company entered into Investment Banking Industry and received the registration as Category I Merchant Banker with SEBI in the year 2020. This division was founded by one of our Directors, Parth Shah having more than 8 years of experience in the Investment Banking Industry. In this segment, we are primarily focused on providing Merchant Banking services to Small and Medium Enterprises (SMEs). We are also registered as Market Maker with BSE and NSE for providing Market Making Services too.

### Our Business is divided into following verticals:



- **Client Broking and Depository Services:** Our brokerage business primarily consists of brokerage services that we offer to Retail customers and High Net Worth Individuals. Our private client broking services are targeted at High net worth individuals who actively invest and trade in equity. We also offer depository facility to our Equity trading clients as a part of integrated service offering through CDSL, where our company is registered as Depository participant.
- **Investment Banking:** Our Investment banking business offers Equity capital markets services and other Financial advisory services to corporate clients. Our equity capital markets services include management of Public equity offerings, Open offers, Valuations and Private placements. We also provide our clients with financial advisory services in relation to Mergers and acquisitions, Private placements and Corporate restructuring.

➤ **Treasury Operations:** We conduct Treasury operations by investing our capital in low / medium risk strategies. We structure our treasury investments to maintain sufficient liquidity in our portfolio to support the capital needs of our other businesses.

The table below illustrates our revenues from these business verticals for the last three financial years:

Verticals	March 2023	March 2022	March 2021
Client Broking	192.65	102.92	52.42
Investment Banking and Advisory	910.92	461.29	166.40
Treasuring Operations	944.58	597.07	490.37
<b>Total</b>	<b>2,048.15</b>	<b>1,161.28</b>	<b>709.19</b>

### Certifications & Recognitions Received by Our Company

Some of the prominent certifications and recognitions received by our Company are as follows: -

- Our company has been rewarded as top Performer Merchant Banker in SME Segment 2020-21 by BSE Limited.
- Top 5 Merchant Bankers for SME & Start-ups 2021-22

### Our Locations

<b>Registered Office</b>	A/102, 1 <sup>st</sup> Floor, Sea Lord CHS, Above Axis Bank, Ram Nagar, Borivali (West)- 400092, Mumbai, Maharashtra, India
<b>Head Office</b>	Shop No. 8, Pranam CHS Ground Floor, Near State Bank of India, Chikuwadi, Borivali (West) – 400092, Mumbai, Maharashtra, India
<b>Branch Offices</b>	308, 3 <sup>rd</sup> Floor, Jaydeep Emphasis, Wagle Estate Check Naka, Wagle Estate, Panchapakhadi, Thane (West) - 400604, Maharashtra, India
	Office No. 201, Satguru Krupa, 2 <sup>nd</sup> Floor, Jakaria Road Malad (West) Mumbai – 400092 Maharashtra, India

### Our Business Strengths

#### 1. *Experienced Promoters and Management team*

Our Company is managed by a team of competent personnel having knowledge of core aspects of our business. Our promoter's Bhavesh Himmatal Shah and Hitesh Natvarlal have been instrumental in managing our expanding operations, implementing strategic marketing, business initiatives and focusing on financial performance. Our young professional directors, Parth Shah and Nidhi Shah have aided us to have long term relations with our customers and have also facilitated us to entrench with new customers. We believe that our management team's experience and their understanding of our industry will enable us to continue to take advantage of both current and future market opportunities. Our Management's experience and knowledge enables us in addressing and mitigating various risks inherent in our business, including competition, the global economic crisis related effects and fluctuations in the prices. We believe that the quality of our management team has been critical in achieving our business results.

#### 2. *Diversified yet integrated mix of business.*

Our company is engaged in the business of Broking services in Equity, Currency Derivatives segments with BSE and NSE. We are also SEBI Registered Category-I Merchant banker and offering services of Valuations, Transaction advisory services, and Merchant Banking services to a well-diversified group of clienteles. Apart from the above we are engaged into Treasury operations and Proprietary Trading activities. With our wide range of services our company is able to cater to the demands of our customers under one roof.

#### 3. *Long term relationship with the clients*

Long term client relationships provide the foundation for our business. Our dedicated focus on client coverage and our ability to provide timely solutions and faster resolution of customer complaints, if any, has helped us to establish long-term relationships with High net worth clients thereby leading to long term sustainable and scalable business operations. This key strength has helped us to receive repeat business from our clients and provide us with an advantage in attracting better brokerage fees and commissions.

#### **4. *Timely Service***

We believe in providing quality and timely service to our clients. We have a set of standards for ourselves when it comes to timeliness and quality of service we provide to our clients. We believe that our timely service has earned us goodwill from our customers which has helped us to add new customers to our existing customer base. Our company focuses on maintaining the level of consistently in our service, thereby building customer loyalty. Over the years we have timely executed approximately 23 assignments as of May 31, 2023 in Investment Banking vertical.

#### **5. *Strong Financial performance***

We have an established track record of strong financial performance and delivering returns to shareholders. Our total revenues increased from ₹ 1,228.87 Lakhs to ₹ 2,054.40 Lakhs in fiscal 2023, representing an increase of 67.18%. Our profit after tax increased from ₹ 493.76 Lakhs to ₹ 567.63 Lakhs in fiscal 2023, representing an increase of 14.96 %. For Further details, please refer to the chapter titled, “*Management Discussion and Analysis of Financial Condition and Results of Operations*” on page 162 of this Draft Prospectus. We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. Our strong balance sheet coupled with low levels of debt enable us to pursue opportunities for growth and better manage unanticipated cash flow variations. Our financial strength provides us a valuable competitive advantage in terms of access to funding from banks which are critical to our business.

### **Our Business Strategies**

#### **1. *Improve Debt – Equity Ratio***

Our Company has obtained ₹ 1,361.36 Lakhs loans and other borrowings from banks and related parties amounting to ₹ 1,257.36 lakhs and ₹ 104.00 lakhs respectively from time to time. These borrowings were utilised for working capital requirements and for purchase of fixed assets. As on date our debt - equity ratio stands at 0.67. We intend to repay certain amount of these loans to improvise our debt equity ratio and also this will help our company to obtain working capital loans / term loans for expansion in future which will improve our operational efficiency. Further, repayment of loans and borrowings will reduce burden of repayment of loans repayable on demand and enhance our financial stability and reduce long term liabilities.

#### **2. *Augment our fund based capacities for stock broking and allied activities***

We are SEBI registered Stock Broker and Category I Merchant Banking Company with a focus on client broking, investment banking and treasury operations verticals. Our Broking business is characterised by high capital requirements to be able to provide margins on behalf of clients without compromising on raising capital through low interest sourcing. We generally source our capital for the broking business, by availing loans from directors and credit facilities from banks in India. We intend to raise funds from the Fresh Issue Proceeds of this Offer and augment our fund based capital requirements. Funding our augmentation of capital requirement from the proceeds of the Fresh Issue will also enable us to save a considerable interest cost due to lower borrowings. For further details regarding the capital being raised through this Offer, please refer to section “*Objects of the Offer*” on page no. 71 of the Draft Prospectus.

#### **3. *Focus on Risk Management***

The global financial crisis has highlighted the need to manage risks regarding financial instruments such as derivatives, currency futures etc. Our Company is dealing in financial services and hence risk management is of utmost importance. We intend to focus on deploying more resources in terms of technology, people and processes to manage our risk management function. We intend to monitor and control our risk exposure through financial, credit, operational, compliance and legal reporting systems based on mandatory regulatory requirements and as per our business needs. We plan to further strengthen our risk management procedures for evaluating and managing the market, credit and other risks to which we are exposed, as well as protecting our reputation in the market.

#### **4. *Attract and retain talented employee***

Employees are essential for the success of every organization. As part of our business strategy, we are focused on attracting and retaining high quality talent as we continue to expand our service offering. We have recruited and retained talented employees from a variety of backgrounds. We expect to continue to attract talented employees through our retention initiatives. We intend to invest adequate time and resources for training our employees, which we believe would foster mutual trust, improve the quality of our services and place further emphasis on continued

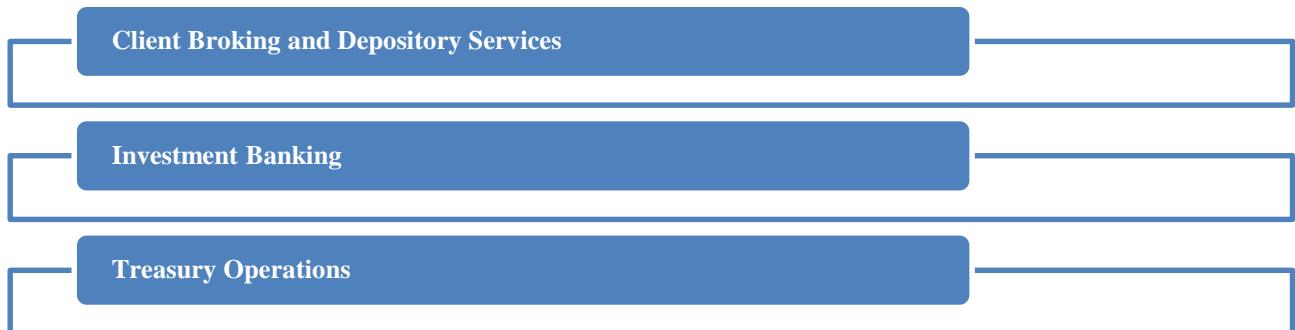
retention.

##### **5. Diversification of Business Model to other avenues**

We have been actively involved in diversifying our business activities since 2010. We started our journey as Stock Broking company in the year 2010. Further, in the same year, we obtained registration as a clearing member in Equity, Equity Derivative and Currency Derivative segments with NSE Clearing Limited (“NCL”) and Indian Clearing Corporation Limited (“ICCL”). Looking into the opportunities in the Depository and Participants business we forayed into the depositories business and received permanent registration from SEBI as Depository Participant of the Central Depository Services (India) Limited (“CDSL”) in the year 2012. In 2020, we obtained certificate of registration as a Category I Merchant Banker. Further, to complement our business activities we intend to carry Transaction advisory services for overseas transactions. Our ability to build complementing business will give us flexibility to expand our core businesses and also provide us with additional business avenues.

#### **Our Business Verticals**

Our businesses verticals are set out as below:



#### **I. CLIENT BROKING AND DEPOSITORY SERVICES:**

We are SEBI registered Stock Broker with membership across the major stock exchanges in India i.e. BSE Limited and National Stock Exchange of India Limited. Our brokerage business primarily consists of brokerage services that we offer to Retail customers and High net worth individuals (“HNI”) for equity derivatives, currency derivatives. Our brokerage business primarily consists of brokerage services that we offer to retail customers. We set our retail brokerage fees based on a number of factors, including customer transaction volumes and product types. We have also started providing trading facilities on mobile through “Taurus Trading App”. The clients using this application have access to real time quotes, personalized portfolio tracking tools, charting and quote applications, real time market commentary, real time quotes and news.

As on May 31, 2023, the primary brokerage products which we allow our customers to trade in are:

- a. Equities - Stocks listed on the NSE and the BSE. We also offer margin financing to customers who desire higher leverage.
- b. Equity Derivatives – Futures and options related to stocks listed on the NSE and BSE.
- c. Currency Derivatives – Future contracts in USD/INR, EUR/INR, GBP/INR and JPY/INR

The revenue from our client broking business was ₹ 192.65 lakhs, ₹ 102.92 lakhs and ₹ 52.42 lakhs in Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively, representing 9.38%, 8.38%, and 7.38% of our total revenue respectively.

#### **DEPOSITORY SERVICES:**

We offer depository services to our broking customers as well as to non-broking customers, as a value-added service. We offer depository facility to our equity trading clients as a part of integrated service offering through CDSL, where our Company is registered as depository participant. This service is available to our customers across our locations and through our online channel, “<https://shreni.webappreports.com>”. The details pertaining to active number of clients are depicted as below:

<b>Depository</b>	<b>Total No. of Active Clients 2022-23</b>	<b>Total No. of Active Clients 2021-22</b>	<b>Total No. of Active Clients 2020-21</b>
CDSL	1364	1073	704

## **II. INVESTMENT BANKING AND ADVISORY SERVICES**

Our Investment Banking business consists of equity capital markets services and financial advisory services that cater to corporate clients. We are familiar with our client's business models and we tailor our financial solutions to meet their needs at different stages of development. We started our merchant banking division in January 2020. This division was founded by one of our Director, Parth Shah. Our merchant banking team comprises 14 members who have significant experience in merchant banking industry. SSL is a SEBI registered category I merchant banker (Registration number: INM000012759) and operates from our Registered office in Mumbai. Our merchant banking business offers capital raising and other investment banking services such as the management of public offerings (SME Segment- SME IPO's), rights issues, open offers and valuation of shares. The revenue from our investment banking business was ₹ 910.92 lakhs, ₹461.92 lakhs, and ₹ 166.40 lakhs in Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively, representing 44.34%, 37.54%, and 23.44% of our total revenue respectively.

### i. *Equity Capital Market Services*

We manage public equity offerings, rights issues, tender offers, valuations for our clients. We have managed over 23 Equity capital market transactions till May 31, 2023. We charge commissions and other fees for our equity capital markets transactions at rates that are based on deal size and/or market conditions.

#### **Our equity capital market services are briefly described as below:**

##### **SME IPO**

SME-IPOs first hit the markets in the year 2012 and since then have showcased a decent performance, bringing in a boost for small and medium-sized companies. As the acronym suggests, Small and Medium Enterprise and SME-IPO is an Initial Public Offering (IPO) that is meant for the trading of shares in small and medium companies. Currently, there are two SME Exchanges in the country, the BSE SME platform (BSE) and EMERGE Platform (NSE). Both have their own eligibility criteria for SME listing in addition to the SEBI Guidelines provided for the Listing.

##### **Valuation:**

Central Board of Direct Taxes (CBDT) made alterations vide its notification, in Rule 11UA(2)(b), which allowed Merchant Bankers for carrying out valuation of the equity shares using Discounted Cash Flow (DCF) method. Valuations are required for different circumstances and the purposes such as investment analysis, capital budgeting, merger and acquisition transactions, financial reporting, taxable events to determine the proper tax liability for which the valuation is intended. Our company possess the requisite manpower and resources for providing pre-eminent services, which are tailored to meet the needs of clients at different stages of development and with different objectives.

##### **Open Offer:**

An open offer is an offer made by the acquirer to the shareholders of the target company inviting them to tender their shares in the target company at a particular price. The primary purpose of an open offer is to provide an exit option to the shareholders of the target company on account of the change in control or substantial acquisition of shares, occurring in the target company. We are also one of the merchant bankers hired for managing open offers of listed companies. Our expertise includes coordination between various agencies, preparation of open offer related documents and public announcements, and liaising with SEBI, ROC and other relevant authorities. We assist companies and acquirers under SEBI Takeover Regulations for making open offers in respect of the substantial acquisition of shares of listed companies.

##### **Follow On Public Offerings (FPOS):**

A follow-on public offering (FPO) is the issuance of shares to investors by a company listed on a stock exchange. A follow-on offering is an issuance of additional shares made by a company after an initial public offering (IPO). Follow-on offerings are also known as secondary offerings. An FPO may be promoted either by the company itself, wherein the FPO proceeds are invested in the company against the issue of new shares or by existing shareholders, who desire to offload their

shareholding in the company, called Offer-for-Sale or OFS, or by a combination of both, i.e., issue of new shares and OFS. The issue of shares by a listed company, whether it be IPO, FPO, private equity or debt instruments is regulated by the Securities and Exchange Board of India (SEBI), more specifically by the rules and regulations framed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations).

#### **Rights Issue :**

The focus of our Company on this activity is more with a view to serve our existing clientele in the listed space. We aim to provide services to all our clients under one roof. A rights issue or rights offer is a pre-emptive subscription rights to buy additional securities in a company made to the company's existing security holders in the ratio of their existing shareholding. With the issued rights, existing security-holders have the privilege to buy a specified number of new securities from the issuer at a specified price within a subscription period.

#### **Private Placements:**

A private placement is a capital raising event that involves the sale of securities to a relatively small number of selected groups of persons (Investors). A private placement is different from a public issue in which securities are made available for sale on the open market to any type of investor.

#### **ii. *Financial Advisory Services***

We provide financial advisory services for various types of transactions such as mergers and acquisitions, private placements and restructuring etc. We charge financial advisory fees based on the type and scale of transactions and the scope of our services.

### **III. TREASURY OPERATIONS**

Besides Broking and Investment Banking business, we also manage our treasury assets and engage in proprietary trading. These businesses are strictly subject to our risk management framework and guidelines. We operate our treasury business with two goals in mind i.e. providing our business with the liquidity it requires for its operations and achieving a return on our own funds. We meet our funding requirements through cash at hand, cash from operations and short-term borrowing and support the liquidity requirements of our other businesses. Our largest liquidity requirement is for the purposes of purchasing inventories in the form of shares and securities and maintaining the margins that we are required to have at the stock exchanges. Furthermore, we apply a prudent and value investment approach when trading for our own account. The revenue from our Treasury business was ₹ 944.58 lakhs, ₹ 597.07 lakhs, and ₹ 490.37 lakhs in Fiscal 2023, Fiscal 2022 and Fiscal 2021 respectively, representing 45.98%, 48.59%, and 69.07% of our total revenue respectively.

#### **Plant & Machinery & Equipment's**

The major plant and machineries required for our business is computers and servers. We have adequate number of computer systems commensurate with our current size of operations.

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

We have not entered into any technical or other collaboration.

#### **Export Obligation**

As on date of the filing of this Draft Prospectus, we don't have any export obligation.

#### **Infrastructure and Utilities**

#### **Risk Management**

Our risk management systems are fully integrated with our electronic brokerage platform, which allows us to manage our risks in real time by tracking trigger prices for every customer position with a margin. This integration allows us to dynamically change margin requirements based on trading volume, improve pricing of margin products, and/or provide our customers with higher leverage.

Our risk management system monitors our market exposure on the basis of the total margin collected from clients, the total margin deposited with the exchanges and the lines of credit available from the banks. Our management team analyses this data in conjunction with our risk management policies and takes appropriate action where necessary to minimize risk.

### **Compliance**

Our Board, through the Audit Committee, oversees our compliance framework. We have formulated various policies and procedures related to internal compliance, including a code of business conduct and ethics, a code of conduct for the prevention of insider trading, whistleblower policy etc. These policies help ensure compliance with relevant laws and applicable regulatory guidelines issued by the relevant regulatory, statutory and enforcement authorities from time to time. We have a standard process of identifying and addressing compliance risks and regularly review our policies and procedures related to internal compliances.

### **Information Technology**

Information technology has changed and will continue to change the ways that securities and other financial products are marketed, traded, distributed and settled. This creates both opportunities and challenges for our business. Our IT capability is critical to the efficient operation and performance of our businesses. We have devoted substantial strategic resources to IT, continued to innovate in IT for the Indian securities industry. We are committed to the ongoing development, maintenance and use of IT in various business activities. We expect technology developments to greatly improve client service quality through increased connectivity and the provision of customized value added products and services. We also expect technology developments to improve our trading, execution and clearing capabilities, improve our sales targeting, aid us in effectively managing our risks and improve our overall efficiency and productivity.

### **Human Resource**

Our Company is committed towards creating an organization that nurtures talent. As on date, we have 25 employees. Our manpower is a prudent mix of experienced and youth which gives us the dual advantage of stability and growth. The following table sets forth the details of our employees as on May 31, 2023:

<b>Category</b>	<b>No. of Employees</b>
Directors and KMP	5
Administrative/Managerial Staff	16
Unskilled Workers	04
<b>Total</b>	<b>25</b>

### **Marketing**

Our Company is in its existence of 14 years and going forward we intend to continue on our ethos of transparency, quick query resolution and delivery of commitments as an effective part of our Marketing Strategy. We have designed our sales and marketing process keeping this ethos in mind in a two phased approach.

- i. **Increase business from existing clients:** We intend to leverage on our existing relationships by providing timely and quality services.
- ii. **Offer tech-based trading solution to HNI clients:** Technology has today become mainstay of broking business. We plan to extend our reach to HNI customers who trade based on proprietary algorithms. We are planning to develop an in-house development team perfect fit for these HNI clients who demand customized trading solution based on their requirements.

### **Competition**

The market for our services are highly competitive. We compete with a number of entities that provide similar services in each of the business lines in which we operate. We compete on the basis of a number of factors, including depth of service offerings, reputation, service quality, reliability, price and convenience. We firmly believe that inspite of intense competition, we can create a space for ourselves by offering our clients with all the financial services including Equity, Equity Derivatives and Currency Derivatives at attractive prices under one roof.

## Intellectual Property

The following trademark is used by our company:

S. No.	Particulars of the mark	Applicant	Trademark number	Class	Trademark type	Status
1.	<b>SHRENI SHARES</b>	Shreni Shares Private Limited	2063503	36	Word	Registered

## Properties

The following are the details of owned and lease hold properties:

*a) Owned property:*

Sr No	Particulars of the Property	Usage
1.	Office no 102, 1 <sup>st</sup> Floor, Sea Lord CHS Ltd. (Plot no 1/B, 1/A, Survey No. A-12, Ram Nagar, Borivali (West), Mumbai-400092, Maharashtra Area : 806 Sq. Ft	Registered Office
2.	Office No. 217, "A" Wing, 2 <sup>nd</sup> Floor of Project ICON, Behind Poisor Depot, Kandivali (West) Mumbai – 400067 Area : 187.36 Sq. mtrs	Office space ( Under Construction)
3.	Office No. 317, "A" Wing, 3 <sup>rd</sup> Floor of Project ICON, Behind Poisor Deposit, Kandivali (West) Mumbai – 400067 Area : 187.36 Sq. mtrs	Office space ( Under Construction)

*b) Leased property:*

Sr No	Details of the Deed/Agreement	Particulars of the Property	Consideration/ License Fee/Rent	Tenure/Term	Usage
1.	No objection certificate dated September 17, 2009 granted by our promoter, Mr. Bhavesh Himmatlal Shah	Shop No. 8, Pranam CHS Ground Floor, Near State Bank of India, Chikuwadi, Borivali (West) – 400092, Mumbai, Maharashtra, India	The premises has been taken for use vide No Objection Certificate dated September 17, 2009 from Bhavesh Shah	Valid till cancelled in writing	Head office
2.	Leave and License Agreement dated November 26, 2020 between Meera Sheth ("Licensor") and our Company ("Licensee")	201, 2 <sup>nd</sup> Floor, Satguru Krupa, Jakaria Road, Malad (West), Mumbai-400064, Maharashtra, India Area: 516 Sq.ft	For the first 12 months: ₹ 21,000/- per month  For next 12 months: ₹ 22,575/- per month  For the last 12 months: ₹. 24,260/- per month	36 months commencing from December 01, 2020 until November 30, 2023	Branch Office
3.	Leave and License Agreement dated June 22, 2021 between M/S Shree Datta Enterprises through its proprietor Dattatray Govind Desai ("Licensor") and	308, 3 <sup>rd</sup> Floor, Jaydeep Emphasis, Wagle Estate Check Naka, Wagle Estate, Panchapakhadi, Thane (West) - 400604, Maharashtra, India Area: 485 Sq.ft	For the first 12 months: ₹. 35,000/- per month  For next 12 months: ₹ 38,500/- per month  For the last 12 months: ₹. 42,350/- per month	36 months commencing from July 01, 2021 until June 30, 2024	Branch Office

<b><i>Sr No</i></b>	<b><i>Details of the Deed/Agreement</i></b>	<b><i>Particulars of the Property</i></b>	<b><i>Consideration/ License Fee/Rent</i></b>	<b><i>Tenure/Term</i></b>	<b><i>Usage</i></b>
	our Company (“Licensee”)				
4.	Leave and License Agreement dated March 03, 2023 Ashok Dattatray Pawar, Rohit Ashok Pawar and Yatin Ashok Pawar (“Licensors”) and our Company (“Licensee”)	Office no 61, 6 <sup>th</sup> Floor, Om Chambers, 57 <sup>th</sup> Road, Opp. Savarkar Garden Borivali (West)-400092, Mumbai, Maharashtra, India Area: 512.36 Sq.ft	From March 01, 2023 until February 29, 2024: ₹ 1,10,000/-per month  From March 01, 2024 until February 28, 2025: ₹ 1,15,000/-per month  From March 01, 2025 until February 28, 2026: ₹ 1,20,000/-per month	36 months commencing from March 01, 2023 until February 28, 2026	Office space

## KEY INDUSTRY REGULATIONS AND POLICIES

*In carrying on our business as described in the section titled “Our Business” beginning on page 93 of this Draft Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, kindly refer to the chapter titled “Government and Other Statutory Approvals” beginning on page 175 of this Draft Prospectus.*

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

### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

#### **SEBI Act, 1992**

The SEBI Act provides for the establishment of the Securities and Exchange Board of India to protect the interests of investors in securities markets, to promote the development of, and to regulate, the securities market and other related matters. Through the SEBI Act, SEBI can conduct enquiries, investigations, audits and inspection of stock exchanges, mutual funds, intermediaries including stock brokers, self-regulatory organisations and other persons associated in the securities market. It also has the authority to undertake cease and desist proceedings, adjudicate offences and impose penalties under the SEBI Act.

#### **Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992**

The SEBI (Merchant Banker) Regulations, 1992 provide the eligibility criteria, procedure for obtaining the certificate of registration to carry on business as a Merchant Banker. Based on the satisfaction of the specified capital adequacy requirements, SEBI grants registration under categories ranging from Category I to Category IV. According to the category identified, the Merchant Bankers are permitted to carry out certain activities as are prescribed in the Merchant Banker Regulations. Further, the Merchant Bankers are required to adhere to a code of conduct prescribed under the Merchant Banker Regulations.

#### **Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018**

The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (“Depositories and Participants Regulations”) provide, amongst other things, the manner of application for registration as a depository and a participant with SEBI. It provides the criteria for determining “fit and proper person” for the purposes of being considered as a depository. Further, the Depositories and Participants Regulations provide for the prescribed equity shareholding of a sponsor, a person or a participant in the capital of the depository. All depositories that have been granted a certificate of registration, are required to make an application to SEBI for commencement of business. The Depositories and Participants Regulations provide for rights and obligations of depositories, participants, issuers, manner of surrender of certificate and creation of pledge. It further prescribes the mechanism for investor protection, evaluation of internal systems, manner for handling share registry work and liability of a participant or a depository in case of default.

#### **Securities Contracts (Regulation) Act, 1956**

The Securities Contracts (Regulation) Act, 1956 (“SCRA”) seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides the conditions for grant of recognition for stock exchanges by the Central Government as also withdrawal of recognition. Every recognized stock exchange is required to have bye-laws for the regulation and control of contracts which inter alia include:

- i. the opening and closing of markets and the regulation of the hours of trade;
- ii. the fixing, altering or postponing of days for settlements;
- iii. the determination and declaration of market rates, including the opening, closing, highest and lowest rates for securities;
- iv. the listing of securities on the stock exchange, the inclusion of any security for the purpose of dealings and the suspension or withdrawal of any such securities, and the suspension or prohibition of trading in any specified securities;
- v. the regulation of dealings by members for their own account; and
- vi. the obligation of members to supply such information or explanation and to produce such documents relating to the business as the governing body may require.

## **SEBI Market Maker Guidelines**

The SEBI Market Maker Guidelines provide for the registration, obligations, responsibilities and monitoring of Market Makers on the Small and Medium Enterprise (SME) platform. Any member of the concerned stock exchange would be eligible to act as Market Marker provided it is registered with the concerned stock exchange as a Market Maker to Market Makers are obligated to provide quotes from the day of listing or when designated as the Market Maker on the respective scrip, in accordance with the guidelines provided by the concerned stock exchange.

## **SEBI (Underwriters) Regulations, 1993**

SEBI (Underwriters) Regulations, 1993 (“Underwriter Regulations”) governs the certification, obligations, and responsibilities of all underwriters. While generally all underwriters must apply for and hold a certificate granted by SEBI under these regulations, a stock broker holding a valid certificate of registration under the SEBI Act, shall be entitled to act as an underwriter without obtaining a separate certificate under the Underwriter Regulations. The underwriter is prohibited from deriving any direct or indirect benefit from underwriting the issue other than the anticipated commission or brokerage payable for the same.

## **SEBI (Prohibition of Insider Trading) Regulations, 1992**

SEBI (Prohibition of Insider Trading) Regulations, 1992 (“the Insider Trading Regulations”) governs the protection of investors against insider trading. The Insider Trading Regulations prevent insider trading in India by prohibiting an insider from dealing, either on his/her own behalf or on behalf of any other person, in the securities of a company listed on any stock exchange when in possession of unpublished price-sensitive information. Further, any person with whom such unpublished price sensitive information is shared shall not deal in securities of the concerned company. As per Regulation 3(1) of the Insider Trading Regulations, no insider shall communicate, provide or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. As per Regulation 7(2), every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed as specified in the Insider Trading.

## **The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951**

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 (“MSMED Act”) inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in plant and machinery does not exceed ₹.25,00,000/- (Rupees Twenty Five Lakhs Only); (ii) a small enterprise, where the investment in plant and machinery is more than ₹.25,00,000/- (Rupees Twenty Five Lakh Only) but does not exceed ₹.5,00,00,000/- (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than ₹.5,00,00,000/- (Rupees Five Crores Only) but does not exceed ₹ 10,00,00,000/- (Rupees Ten Crores Only). In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as: (i) a micro enterprise, where the investment in equipment does not exceed ₹. 10,00,000/- (Rupees Ten Lakhs Only); (ii) a small enterprise, where the investment in equipment is more than ₹.10,00,000/- (Rupees Ten Lakhs Only) but does not exceed ₹.2,00,00,000/- (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than ₹. 2,00,00,000/- (Rupees Two Crores Only) but does not exceed ₹.5,00,00,000/- (Rupees Five Crores Only). The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

## **Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992**

The SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 (“Stock Broker Regulations”) govern the registration and functioning of stock brokers, sub-brokers and clearing members. In terms of the Stock Broker Regulations, stock brokers are required to abide by a code of conduct and are subject to penalties for noncompliance of the Stock Broker Regulations. SEBI has the authority to inspect the books of accounts of stock brokers and in case of violations by the stock broker of the provisions of the SCRA, to take such appropriate action as it deems fit after giving an opportunity for hearing. Further, in

case of any change in its status or constitution, the stock broker is required to obtain the prior permission of SEBI in order to continue to buy, sell or deal in securities in any stock exchange.

### **EMPLOYEE AND LABOUR RELATED LEGISLATIONS:**

Our Company is governed by various legislations for the safety and protection of the labour and employees either working for or engaged by the Company. Our Company is required to ensure compliance of various labour and employment laws to conduct its business and projects. These include, but are not limited to the following:

- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Employees' State Insurance Act, 1948;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Public Liability Insurance Act, 1991;
- The Maternity Benefit Act, 1961;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Equal Remuneration Act, 1976
- The Employee's Compensation Act, 1923;
- The Minimum Wages Act, 1948;
- The Payment of Wages Act, 1936;
- The Payment of Gratuity Act, 1972; and
- The Payment of Bonus Act, 1965.

The Code on Wages, 2019 (enacted by the parliament of India and assented to by the President of India on August 8, 2019) will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Code on Wages, 2019. Once effective, it will subsume the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Payment of Wages Act, 1936.

The Code on Social Security, 2020 (enacted by the Parliament of India and assented to by the President of India on September 28, 2020) will come into force on such date as may be notified in the official gazette by the Central Government and different date may be appointed for different provisions of the Code on Social Security, 2020. Once effective, it will subsume, *inter alia*, the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972.

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017**

Under the provisions of the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 the establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints

Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹50,000/-

## **TAX RELATED LEGISLATIONS**

### **Income Tax Act, 1961**

Income-tax Act, 1961 ("Income-tax Act") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its 'Residential Status' and 'Type of Income' involved. Every assessee, under the Income-tax Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

### **Central Goods and Services Tax Act, 2017**

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

### **Integrated Goods and Services Tax Act, 2017**

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

### **Maharashtra Tax on Professions, Trade, Callings and Employments Act, 1975**

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

## **INTELLECTUAL PROPERTY LEGISLATIONS**

### **The Trademarks Act, 1999**

Under the Trademarks Act, 1999 ("Trademarks Act"), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in

writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks (“the Registrar”), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

## **OTHER APPLICABLE LAWS**

### **Companies Act, 2013**

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

### **The Registration Act, 1908**

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

### **Competition Act, 2002**

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

### **Maharashtra Stamp Act, 1958**

The purpose of the Maharashtra Stamp Act, 1958 (the “Stamp Act”) was to streamline and simplify transactions of immovable properties and securities by the State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

## **REGULATIONS REGARDING FOREIGN INVESTMENT**

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 (“FEMA”), as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, The Department for Promotion of Industry and Internal Trade (—DPIIT—), Ministry of Commerce and Industry has issued the Consolidated FDI Policy which consolidates the policy framework on Foreign Direct Investment (“FDI Policy”), with effect from October 15, 2020. The FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till October 15, 2020.

In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI

is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

The FDI Policy permits foreign investment upto 100% of equity/FDI cap through the automatic route in companies that fall under the Other Financial Services' sector. Our Company is a stock broking company engaged in the financial services sector and is regulated by SEBI. Accordingly, foreign investment upto 100% of equity/FDI cap is permitted in our Company under the automatic route subject to compliance of certain conditions which are *inter-alia* as follows:

- (i) Minimum capitalization norms, *inter alia* shall be subject to conditionalities, as specified by the concerned Regulator/Government Agency.
- (ii) The financial services need to be regulated by one of the Financial Sector Regulators.
- (iii) Downstream investments by any of these entities will be subject to the extant sectoral regulations and provisions of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, as amended from time to time, now being the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019.

## HISTORY AND CERTAIN CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated as 'Shreni Shares Private Limited' as a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated September 17, 2009 issued by the Registrar of Companies, Mumbai, Maharashtra. The status of the Company was changed to public limited and the name of our Company was changed to 'Shreni Shares Limited' vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on May 11, 2023. The fresh certificate of incorporation dated May 26, 2023 was issued to our Company by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U67190MH2009PLC195845.

Mr. Bhavesh Himmatlal Shah and Mr. Hitesh Natvarlal Punjani were the initial subscribers to the Memorandum of Association of our Company. Our Company has 10 (ten) Shareholders as on the date of filing of this Draft Prospectus. For further information, please refer the chapter "*Capital Structure*" on page no. 56 of this Draft Prospectus.

### DETAILS OF CHANGES IN THE REGISTERED OFFICE

The Registered Office of our Company is situated at Office No. 102, 1<sup>st</sup> Floor Sea Lord CHSL, 1/A,1/B, Ram Nagar, Borivali (West)- 400092 Mumbai, Maharashtra, India. The following changes were made in the location of our Registered Office.

Date of Change	Changed From	Change to	Reason for change
July 01, 2019	Shop No. 8, Pranam Nagar CHS, Ground Floor, Near State Bank of India, Chikoowadi, Borivali (West) -400092, Mumbai, Maharashtra, India	Office No. 102, 1 <sup>st</sup> Floor Sea Lord CHSL, 1/A,1/B, Ram Nagar, Borivali (West)- 400092 Mumbai, Maharashtra, India	Administrative convenience

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Major Events / Milestone / Achievements
2009	Incorporation of our Company as Shreni Shares Private Limited
2010	Registered as Stock Brokers in Equity, Equity Derivative, Currency Derivative and Interest Rate Derivative Segment with "BSE Limited" to expand the business operations of the Company
2010	Registered as Stock Brokers in Equity, Equity Derivative, Currency Derivative and Interest Rate Derivative Segment with "National Stock Exchange of India Limited" to expand the business Operations of the Company
2010	Registered as clearing member in Equity, Equity Derivative and Currency Derivative segments with NSE Clearing Limited (NCL)
2010	Registered as clearing member in Equity Segment with Indian Clearing Corporation Limited (ICCL)
2012	Granted certificate of permanent registration as Depository Participant with Central Depository Services (India) Limited by Securities and Exchange Board of India
2018	Registered as Market Maker on SME segment with "National Stock Exchange of India Limited" and "BSE Limited"
2020	Registered as a SEBI- Category- I Merchant Banker with Securities and Exchange Board of India
2021	Rewarded as top Performer Merchant Banker in SME Segment 2020-21 by BSE Limited
2022	Top 5 Merchant Bankers for SME & Start-ups 2021-22
2023	Conversion into Public Limited Company as "Shreni Shares Limited"

### MAIN OBJECTS OF OUR COMPANY

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

1. To underwrite, sub underwrite, and sell, buy or otherwise deal in shares, debentures, debenture-stocks, bonds, units, obligations and securities issued or guaranteed by Indian or foreign Governments, State, Dominions, Sovereigns, Municipalities, or Public Authorities or Bodies and shares, stocks, debentures, debenture-stocks, bonds, obligations and securities issued and guaranteed by any company, corporation, firm or person whether incorporated or established in India or elsewhere.

2. To carry on and engage in the business of shares & stock brokers and provide service, advice and facility of every description capable of being provided by a Share and Stock Broker as a Member of any recognized Stock Exchange which are permitted under the Securities and Contracts (Regulation) Rules, 1957 and the Rules, Bye-laws and Regulations of the Stock Exchange and for that purpose apply for membership of MCX-SX, USE, NSDL, CDSL, BSE, NSE, OTCEI or any other recognized exchange, depositories etc., established for the purpose of dealing in capital market segment, wholesale debt market segment, future and options, currency derivative segment, interest rate futures, shares, stocks, debentures bonds, notes, coupons, warrants, derivative products based on equities, stock indices, currencies, interest rates or any other underlying assets or Units of Mutual Funds or any other securities in India or elsewhere subject to necessary approvals; so long as the company is engaged in stock broking as a member of any recognized Stock Exchange in India, it will engage itself in only such business as a member of a recognized Stock Exchange is permitted to engage in under the Securities and Contracts ( Regulation) Rules, 1957, and the Rules, Bye-laws & Regulations of the Stock Exchange.

3. To carry on the business as portfolio managers, investment adviser, financial advisor and to advise or offer services to government, semi government, body corporate, undertaking, firm, association of persons as consultants in all kinds of financial matters, including but not limited to takeovers, amalgamation, merger, demerger, reverse merger, acquisition of business, diversification, rehabilitation, restructuring, and all other matters.

4. To carry on the business of Merchant Banking subject to approval of Securities and Exchange Board of India under Securities and Exchange Board of India (Merchant Bankers) Rules, 1992 and regulations made there under and such other approvals as may be required from other authorities in this regard but not to carry on all or any part of banking business as contemplated by the Reserve Bank of India/ Banking Regulation Act, 1949.

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

#### **AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE INCORPORATION**

<b>Sr. No.</b>	<b>Date of Shareholder's Resolution</b>	<b>Nature of Amendment</b>
1.	October 22, 2009	<b><u>Alteration in Capital Clause:</u></b> The authorise share capital of our Company increased from ₹ 1.00 Lakh divided into 10,000 Equity Shares of ₹ 10 each to ₹ 100 Lakh divided into 10,00,000 Equity Shares of ₹ 10 each
2.	May 24, 2010	<b><u>Alteration in Capital Clause:</u></b> The authorize share capital of our Company increased from ₹ 100 Lakh divided into 10,00,000 Equity Shares of ₹ 10 each to ₹ 500 Lakh divided into 50,00,000 Equity Shares of ₹ 10 each
3.	May 25, 2010	<b><u>Alteration in Object Clause by inserting the new sub clause 1A:</u></b> To carry on and engage in the business of shares & stock brokers and provide service, advice and facility of every description capable of being provided by a Share and Stock Broker as a Member of any recognized Stock Exchange which are permitted under the Securities and Contracts (Regulation) Rules, 1957 and the Rules, Bye-laws and Regulations of the Stock Exchange and for that purpose apply for membership of MCX-SX, USE, NSDL, CDSL, BSE, NSE, OTCEI or any other recognized exchange, depositories etc., established for the purpose of dealing in capital market segment, wholesale debt market segment, future and options, currency derivative segment, interest rate futures, shares, stocks, debentures bonds, notes, coupons, warrants, derivative products based on equities, stock indices, currencies, interest rates or any other underlying assets or Units of Mutual Funds or any other securities in India or elsewhere subject to necessary approvals; so long as the company is engaged in stock broking as a member of any recognized Stock Exchange in India, it will engage itself in only such business as a member of a recognized Stock Exchange is permitted to engage in under the Securities and Contracts ( Regulation) Rules, 1957, and the Rules, Bye-laws & Regulations of the Stock Exchange.

Sr. No.	Date of Shareholder's Resolution	Nature of Amendment
4.	June 17, 2017	<p><b><u>Alteration in Capital Clause:</u></b></p> <p>The authorize share capital of our Company increased from ₹ 500 Lakh divided into 50,00,000 Equity Shares of ₹ 10 each to ₹ 1,000 Lakh divided into 1,00,00,000 Equity Shares of ₹ 10 each</p>
5.	June 29, 2019	<p><b><u>Adoption of new set of Memorandum of Association and alteration of Object Clause of Memorandum of Association with addition of the following clause:</u></b></p> <p>To carry on the business as financial advisor and to advise or offer services to government, semi government, body corporate, undertaking, firm, association of persons as consultants in all kinds of financial matters, including but not limited to takeovers, amalgamation, merger, demerger, reverse merger, acquisition of business, diversification, rehabilitation, restructuring, and all other matters.</p> <p>To carry on the business of Merchant Banking subject to approval of Securities and Exchange Board of India under Securities and Exchange Board of India (Merchant Bankers) Rules, 1992 and regulations made there under and such other approvals as may be required from other authorities in this regard but not to carry on all or any part of banking business as contemplated by the Reserve Bank of India/ Banking Regulation Act, 1949.</p>
6.	February 15, 2023	<p><b><u>Alteration in Capital Clause:</u></b></p> <p>The authorize share capital of our Company increased from ₹ 1000 Lakh divided into 1,00,00,000 Equity Shares of ₹ 10 each to ₹ 2,500 Lakh divided into 2,50,00,000 Equity Shares of ₹ 10 each</p>
7.	May 11, 2023	<p><b><u>Alteration in Object Clause by replacing clause 3 (a) 3:</u></b></p> <p>To carry on the business as portfolio managers, investment adviser, financial advisor and to advise or offer services to government, semi government, body corporate, undertaking, firm, association of persons as consultants in all kinds of financial matters, including but not limited to takeovers, amalgamation, merger, demerger, reverse merger, acquisition of business, diversification, rehabilitation, restructuring, and all other matters.</p>
8.	May 11, 2023	<p><b><u>Alteration in Name Clause:</u></b></p> <p>Change in the name clause from "Shreni Shares Private Limited" to "Shreni Shares Limited" pursuant to Conversion from Private Limited Company to Public Limited Company.</p>

#### **ADOPTING NEW ARTICLES OF ASSOCIATION OF THE COMPANY**

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated May 11, 2023.

#### **LOCK-OUT AND STRIKES**

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

#### **SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERSHIPS**

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

#### **TIME/COST OVERRUN IN SETTING UP PROJECTS**

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

## **LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS**

For details of key services entered by our Company, entry into new geographies or exit from existing markets, see “Our Business” on page 93 of this Draft Prospectus.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS**

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

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

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

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

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

## **OUR HOLDING COMPANY**

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

## **OUR SUBSIDIARIES**

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

## **OUR ASSOCIATES**

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

## **JOINT VENTURES**

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

## **SHAREHOLDERS' AGREEMENT**

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

## **OTHER AGREEMENTS**

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

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

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

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

As on date of this Draft Prospectus, our Company does not have any significant financial partners, strategic partners or joint venture partners.

## **GUARANTEES GIVEN BY PROMOTERS**

As on the date of this Draft Prospectus, no guarantee has been issued by Promoters except as disclosed in the “*Financial Indebtedness*” on page no. 169 of this Draft Prospectus.

## **COLLABORATION**

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

## **INJUNCTION OR RESTRAINING ORDERS**

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

## OUR MANAGEMENT

As on the date of this Draft Prospectus, our Board consists of Eight (8) Directors including one (1) Chairman cum Managing Director, three (3) Whole-time Director and four (4) Non - Executive Independent Director. Further, we also have Women Directors on our Board.

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

<b>Sr. No.</b>	<b>Name, Designation, Address, Date of Birth, Occupation, Term and DIN</b>	<b>Age (in years)</b>	<b>Other Directorships</b>
1.	<p><b>Bhavesh Himmatlal Shah</b></p> <p><i>Designation:</i> Chairman and Managing Director</p> <p><i>Date of Birth:</i> July 19, 1967</p> <p><i>Address:</i> D/204, Panchsheel Heights, Mahavir Nagar, Opp. Pizza Hut, Kandivali (West), Mumbai-400067, Maharashtra, India</p> <p><i>Qualification:</i> Chartered Accountant</p> <p><i>Occupation:</i> Business</p> <p><i>Current Term:</i> Three years from June 01, 2023 and subject to retire by rotation.</p> <p><i>Period of Directorship:</i> Director since incorporation</p> <p><i>DIN:</i> 02334260</p>	55	Sanghavi Commodity Private Limited
2.	<p><b>Hitesh Natvarlal Punjani</b></p> <p><i>Designation:</i> Whole-time Director</p> <p><i>Date of Birth:</i> November 15, 1973</p> <p><i>Address:</i> C/504, Janki Avenue, Azad Nagar, Opp. Bahart Gas Godown, Bhayander (East), Thane-401105 Maharashtra, India</p> <p><i>Qualification:</i> Bachelor of Commerce, University of Bombay</p> <p><i>Occupation:</i> Business</p> <p><i>Current Term:</i> Three years from June 01, 2023 and subject to retire by rotation</p> <p><i>Period of Directorship:</i> Director since incorporation</p> <p><i>DIN:</i> 02072811</p>	49	Nil

<b>Sr. No.</b>	<b>Name, Designation, Address, Date of Birth, Occupation, Term and DIN</b>	<b>Age (in years)</b>	<b>Other Directorships</b>
3.	<p><b>Parth Shah</b></p> <p><i>Designation:</i> Whole-time Director</p> <p><i>Date of Birth:</i> December 10, 1990</p> <p><i>Address:</i> A-1605, AHCL, Towers, Chikuwadi, Borivali (W), Mumbai - 400092, Maharashtra, India</p> <p><i>Qualification:</i> Master of Business Administration in Financial Markets</p> <p><i>Occupation:</i> Business</p> <p><i>Current Term:</i> Three years from June 01, 2023 and subject to retire by rotation.</p> <p><i>Period of Directorship:</i> Director since May 27, 2019</p> <p><i>DIN:</i> 08323123</p>	32	Nil
4.	<p><b>Nidhi Shah</b></p> <p><i>Designation:</i> Whole-time Director</p> <p><i>Date of Birth:</i> September 21, 1993</p> <p><i>Address:</i> D/204, Panchsheel Heights, Mahavir Nagar, Opp, Pizza Hut, Kandivali (West), Mumbai-400067, Maharashtra, India</p> <p><i>Qualification:</i> Chartered Accountant</p> <p><i>Occupation:</i> Business</p> <p><i>Current Term:</i> Three years from June 01, 2023 and subject to retire by rotation</p> <p><i>Period of Directorship:</i> Director since October 25, 2021</p> <p><i>DIN:</i> 09172519</p>	29	Nil
5.	<p><b>Arpit T Shah</b></p> <p><i>Designation:</i> Non – Executive Independent Director</p> <p><i>Date of Birth:</i> January 17, 1978</p> <p><i>Address:</i> A/4, Anisha Apt, New Vikash Gruh Road, Paldi, Ahmedabad – 380007, India</p> <p><i>Qualification:</i> Chartered Accountant</p> <p><i>Occupation:</i> Professional</p> <p><i>Current Term:</i> Five years with effect from June 01, 2023</p> <p><i>Period of Directorship:</i> Since June 01, 2023</p> <p><i>DIN:</i> 10169312</p>	45	Nil

<b>Sr. No.</b>	<b>Name, Designation, Address, Date of Birth, Occupation, Term and DIN</b>	<b>Age (in years)</b>	<b>Other Directorships</b>
6.	<p><b>Palak J Shah</b></p> <p><i>Designation:</i> Non – Executive Independent Director</p> <p><i>Date of Birth:</i> January 30, 1978</p> <p><i>Address:</i> 82, Aman Heights, Opposite Prashant Society, B/H Kandoi Bhogilal, Navrangpura, Ahmedabad – 380009, Gujarat.</p> <p><i>Qualification:</i> Chartered Accountant, Information System Audit(ISA)</p> <p><i>Occupation:</i> Professional</p> <p><i>Current Term:</i> Five years with effect from June 01, 2023</p> <p><i>Period of Directorship:</i> Since June 01, 2023</p> <p><i>DIN:</i> 10168539</p>	45	Nil
7.	<p><b>Rachana Pranav Sheth</b></p> <p><i>Designation:</i> Non – Executive Independent Director</p> <p><i>Date of Birth:</i> March 03, 1994</p> <p><i>Address:</i> 601, Arvind Building, 60ft road, Opp Syndicate bank, Ghatkopar (East-400077, Mumbai, Maharashtra, India</p> <p><i>Qualification:</i> Company Secretary, Post Graduate diploma in Business and corporate law (PGDBCL)</p> <p><i>Occupation:</i> Professional</p> <p><i>Current Term:</i> Five years with effect from June 01, 2023</p> <p><i>Period of Directorship:</i> Since June 01, 2023</p> <p><i>DIN:</i> 10156318</p>	29	Nil

<i>Sr. No.</i>	<i>Name, Designation, Address, Date of Birth, Occupation, Term and DIN</i>	<i>Age (in years)</i>	<i>Other Directorships</i>
8.	<b>Vikash Kumar Jain</b> <i>Designation:</i> Non - Executive Independent Director <i>Date of Birth:</i> October 25, 1979 <i>Address:</i> B 703 Le Jardin Opposite Law Garden BRTS, Ellis Bridge, Ahmedabad, Gujarat – 380006. <i>Qualification:</i> Chartered Accountant <i>Occupation:</i> Professional <i>Current Term:</i> Five years with effect from June 01, 2023 <i>Period of Directorship:</i> Since June 01, 2023 <i>DIN:</i> 02273508	43	Uplifting Lives Foundation

*For further details on their qualification, experience etc., please see their respective biographies under the heading “Brief Biographies” below.*

#### **BRIEF BIOGRAPHIES OF OUR DIRECTORS**

**Bhavesh Himmatlal Shah**, aged 55 years is the Chairman and Managing Director on the Board of our Company. He is the founder and one of the Promoters of our Company. He is a member of the Institute of Chartered Accountants of India. He has an overall experience of 30 years in the areas of Capital Market, Stock Broking and Treasury. His involvement and guidance has been instrumental in the growth and development of our company. Besides, looking after day-to-day affairs of the Company, he controls the planning, finance and implementation functions of our Company.

**Hitesh Natvarlal Punjani**, aged 49 years is the Whole- time Director on our Board and one of the Promoters of our Company. He holds a bachelor’s degree in Commerce from University of Bombay. He has been associated with our Company since incorporation and has an overall business experience of approximately 22 years in the areas of Capital Market, Stock Broking and Treasury. He currently heads our Stock broking department as a Compliance officer and is responsible for looking after day to day affairs of our Company and provide his expertise for growth and expansion of our Company.

**Parth Shah**, aged 32 years is the Whole- time Director and Chief Executive Officer of our Company. He holds a Master’s degree of Business Administration in Financial Markets. He has been associated with our Company since May 27, 2019. He has founded our Merchant Banking Division and has approximately 10 years of experience in the Merchant Banking Industry. He has previously worked with BSE Limited, Pantomath Capital Advisors Private Limited and Hem Securities Limited.

**Nidhi Shah**, aged 29 years is the Whole- time Director of our Company. She is designated as Chief Financial Officer of the Company w.e.f. June 01, 2023. She is a member of the Institute of Chartered Accountants of India. She has an overall experience of five years in the field of Capital Markets. She currently looks after overall financial matters and related operations of our Company.

**Arpit T Shah**, aged 45 years is the Independent Director of our Company. He is the member of the Institute of Chartered Accountants of India. He has experience of more than 20 years in the areas of statutory audits, bank audits, internal audits, finance audits and company law matters. He has set up his own practice under the name and style of M/s. Arpit Shah and Co. He is also involved in offering advisory services on taxation and on accounting system methods and also having expertise in setting up of internal control systems.

**Palak J Shah**, aged 45 years is the Independent Director of our Company. She is the member of the Institute of Chartered Accountants of India. She completed her Diploma in Information System Audit (DISA) from ICAI in 2004. She has an

overall experience of more than 20 years in the field of Finance, Accounts, Taxation Auditing, Valuation of securities and implementation, and other statutory compliances. Currently, she is a Partner at M/s. Palak J Shah & Company, Chartered Accountants.

**Rachana Pranav Sheth**, aged 29 years is the Independent Director of our Company. She is the member of the Institute of Company Secretary of India. She holds a Post Graduate Diploma in Business and Corporate law (PGDBCL) in the year of 2017. She has an overall experience of more than five years in the field of legal and compliance. In 2018, she started her own advisory firm in the name of M/s. Rachana Sheth and Associates, Practicing Company Secretaries and Legal Advisors. She is also an eminent speaker and tutor at ICSI CBD-Belapur, educating the aspiring Company Secretaries in their training programmes.

**VikashKumar Jain**, aged 43 years is the Independent Director of our Company. He is the member of the Institute of Chartered Accountants of India. He has experience of more than 20 years in various areas such as company law matters, income tax matters, bankruptcy matters, mergers and amalgamations and business restructuring. He has been serving as Visiting Faculty at various CPE seminars of ICAI, ICSI & other Professional bodies. He is contributing articles in various journals and manuals regularly. He is also a partner in the Insolvency Professional Entity - V C A N RESOLVE IPE LLP & resolved many cases under IBC, 2016.

## **CONFIRMATIONS**

As on the date of this Draft Prospectus:

1. Except as stated below; none of the Directors of our Company are related to each other as per Section 2 (77) of the Companies Act, 2013.  
Mr. Bhavesh Himmatal Shah and Ms. Nidhi Shah are related to each other as Father and Daughter.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
5. Our Promoters or Directors has not been or is not involved as a promoter or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
6. None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.

## **DETAILS OF BORROWING POWERS**

Pursuant to a special resolution passed at an Extra - Ordinary General Meeting of our Company held at a shorter notice on May 30, 2023 and pursuant to provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 200 crores.

## **REMUNERATION/COMPENSATION/COMMISSION PAID TO EXECUTIVE DIRECTORS**

The compensation payable to the Managing Director and Whole-time directors will be governed as per the terms of their appointment and shall be subject to the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof).

The compensation package payable to them from F.Y. 2023-24 onwards as resolved in the Extra-Ordinary General Meeting held on May 30, 2023 is stated hereunder:

#### **Mr. Bhavesh Himmatlal Shah, Chairman and Managing Director**

The total remuneration payable to Mr. Bhavesh Himmatlal Shah, Managing Director, shall not exceed a sum of ₹ 200 Lakhs per annum (inclusive of all salary, perquisites, benefits, incentives and allowances).

#### **Mr. Hitesh Natvarlal Punjani, Whole-time Director**

The total remuneration payable to Mr. Hitesh Natvarlal Punjani, Whole-time Director, shall not exceed a sum of ₹ 25 Lakhs per annum (inclusive of all salary, perquisites, benefits, incentives and allowances).

#### **Parth Shah, Whole-time Director**

The total remuneration payable to Mr. Parth Shah, Whole-time Director, shall not exceed a sum of ₹ 500 Lakhs per annum (inclusive of all salary, perquisites, benefits, incentives and allowances).

#### **Nidhi Shah, Whole-time Director**

The total remuneration payable to Ms. Nidhi Shah, Whole-time Director shall not exceed a sum of 75 Lakhs per annum (inclusive of all salary, perquisites, benefits, incentives and allowances).

### **REMUNERATION/COMPENSATION/COMMISSION PAID TO DIRECTORS BY OUR COMPANY**

The remuneration / compensation (including other benefits) paid to our current Directors by our Company, for FY 2022-2023 is as follows:

<b>Sr.No</b>	<b>Name of the Director</b>	<b>Remuneration/Compensation paid</b>
1.	Bhavesh Himmatlal Shah	61.50 lakhs
2.	Hitesh Natvarlal Punjani	9.08 lakhs
3.	Parth Shah	179 lakhs
4.	Nidhi Shah	42.18 lakhs

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

Pursuant to the resolution passed by the Board of Directors of our Company at their meeting held on June 02, 2023, our Non-Executive Independent directors are entitled to receive a sitting fee of up to ₹ 15,000 for attending Board meeting or committee meeting thereof.

### **SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY**

Our Articles of Association do not require our Directors to hold any qualification shares.

For details of Equity Shares held by the Directors as on date of this Draft Prospectus, see “*Capital Structure - Shareholding of our Directors and Key Managerial Personnel in our Company*” on page 56 and 113 of this Draft Prospectus.

### **INTEREST OF DIRECTORS**

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

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

### **Interest in the Property of our Company**

Except as stated in the heading titled “Properties” under the chapter titled “Our Business”, and Chapter titled “Our Promoters and Promoter Group” beginning on page no.93 and 127 of this Draft Prospectus, none of our Directors have interest in any property acquired or proposed to be acquired of our Company or by our Company.

### **Interest in Promotion of the Company**

Our Promoters Mr. Bhavesh Himmatal Shah and Mr. Hitesh Natvarlal Punjani, may be deemed to be interested in the promotion of our Company. For further details, please refer to chapter titled *“Our Promoter and Promoter Group”* beginning on page 127 of this Draft Prospectus.

### **Interest as Member of a Company or Firm**

Except as stated in this chapter titled *“Our Management”*, the section titled *“Related Party Transaction – Note 24 of Restated Financial Statements”* and the chapter *“Our Business”* on page nos. 113, 132 and 93 of this Draft Prospectus respectively, our Directors do not have any other interest in our business.

## **CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS**

<b>Name of Director</b>	<b>Date of Appointment/ Change</b>	<b>Reason for change</b>
Bhavesh Himmatal Shah	June 01, 2023	Re-designated as Managing Director
Hitesh Natvarlal Punjani	June 01, 2023	Re-designated as Whole-time Director
Parth Shah	June 01, 2023	Re-designated as Whole-time Director
Nidhi Shah	June 01, 2023	Re-designated as Whole-time Director
Arpit T Shah	June 01, 2023	Appointment as Non- Executive Independent Director
Palak J Shah	June 01, 2023	Appointment as Non- Executive Independent Director
Rachana Pranav Sheth	June 01, 2023	Appointment as Non- Executive Independent Director
Vikash Kumar Jain	June 01, 2023	Appointment as Non- Executive Independent Director
Sapna Bhavesh Shah	November 08, 2021	Resignation as Executive Director
Nidhi Shah	September 30, 2022	Appointment as Executive Director

## **CORPORATE GOVERNANCE**

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

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

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Draft Prospectus, our Board consists of Eight (8) Directors including one (1) Managing Director, Three (3) Whole- time Director and four (4) Non - Executive Independent Director including woman directors.

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

- A. Audit Committee;
- B. Stakeholders Relationship Committee;
- C. Nomination and Remuneration Committee;
- D. Corporate Social Responsibility Committee

### **A. AUDIT COMMITTEE**

Our Board has constituted the Audit Committee vide Board Resolution dated June 02, 2023 in accordance with the Section 177 of the Companies Act, 2013. The audit committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Vikash Kumar Jain	Non-Executive Independent Director	Chairman
Arpit Shah	Non-Executive Independent Director	Member
Nidhi Shah	Whole Time Director and CFO	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee. The scope of Audit Committee shall include but shall not be restricted to the following:

- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  2. Changes, if any, in accounting policies and practices and reasons for the same.
  3. Major accounting entries involving estimates based on the exercise of judgment by management.
  4. Significant adjustments made in the financial statements arising out of audit findings.
  5. Compliance with listing and other legal requirements relating to financial statements.
  6. Disclosure of any related party transactions.
  7. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or

irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamationetc., on the listed entity and its shareholders.

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

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

The Audit Committee enjoys following powers:

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

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- c. Internal audit reports relating to internal control weaknesses; and
- d. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- e. statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

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

clarifications on matters relating to the audit.

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

### **Meeting of Audit Committee and Relevant Quorum**

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

### **B. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Our Board has constituted the Stakeholders' Relationship Committee vide Board Resolution June 02, 2023 in accordance with Section 178 of the Companies Act, 2013. The Stakeholder's Relationship Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
VikashKumar Jain	Non-Executive Independent Director	Chairman
Arpit Shah	Non-Executive Independent Director	Member
Hitesh Natvarlal Punjani	Whole Time Director	Member

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

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

- a) Resolving the grievances of the security holders of our Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc; Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- b) Review of measures taken for effective exercise of voting rights by shareholders;
- c) Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the registrar and share transfer agent;
- d) Review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company
- e) To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.
- f) Carrying out such other functions as may be specified by our Board from time to time or specified/provided under the Companies Act or Listing Regulations, or by any other regulatory authority.

### **C. NOMINATION AND REMUNERATION COMMITTEE**

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution June 02, 2023 in accordance with section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
VikashKumar Jain	Non-Executive Independent Director	Chairman
Arpit Shah	Non-Executive Independent Director	Member
Rachana Pranav Sheth	Non-Executive Director	Member

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

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

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- e. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- f. Recommend to our Board, all remuneration, in whatever form, payable to senior management.

#### **Meeting of Nomination and Remuneration Committee and Relevant Quorum**

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

#### **D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee was re-constituted by our Board in terms of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee comprises of following Directors:

Name of the Directors	Nature of Directorship	Designation in Committee
Bhavesh Himmatal Shah	Managing Director	Member
Hitesh Natvarlal Punjani	Whole Time Director	Member
VikashKumar Jain	Non-Executive Independent Director	Member

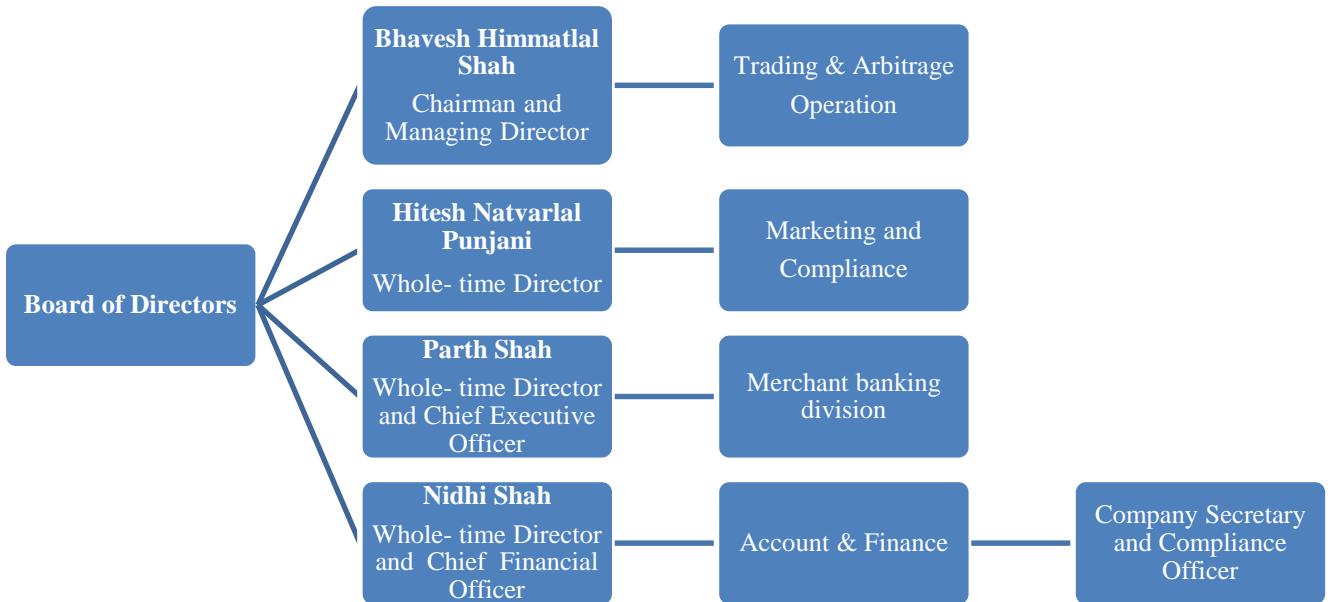
The terms of reference of the Corporate Social Responsibility Committee include the following:

- a. Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subject specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;
- b. Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation during such immediately preceding financial years;
- c. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
- d. Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- e. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- f. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and Performing such other duties and functions as the Board may require the Corporate Social Responsibility Committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws.

#### **POLICY ON DISCLOSURES & INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

## ORGANIZATIONAL STRUCTURE



## KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel and Senior Management of our Company:

### **Bhavesh Himmatlal Shah – Chairman and Managing Director**

**Bhavesh Himmatlal Shah** is the Chairman and Managing Director of our Company. For details, see “*Brief Profile of our Director*”, see “*Our Management*” chapter beginning on page 113 of this Draft Prospectus.

### **Hitesh Natvarlal Punjani - Whole Time Director**

**Hitesh Natvarlal Punjani** is the Whole Time Director of our Company. For details, see “*Brief Profile of our Director*”, see “*Our Management*” chapter beginning on page 113 of this Draft Prospectus.

### **Parth Shah - Whole Time Director and Chief Executive Officer**

**Parth Shah** is the Whole Time Director and Chief Executive Officer of our Company. For details, see “*Brief Profile of our Director*”, see “*Our Management*” chapter beginning on page 113 of this Draft Prospectus.

### **Nidhi Shah - Whole Time Director and Chief Financial Officer**

**Nidhi Shah** is the Whole Time Director and Chief Financial Officer of our Company. For details, see “*Brief Profile of our Director*”, see “*Our Management*” chapter beginning on page 113 of this Draft Prospectus.

### **Varsha Sharma - Company Secretary and Compliance Officer**

**Varsha Sharma**, aged 35 years, is the Company Secretary and Compliance Officer of our Company. She has been appointed as the Company Secretary and Compliance Officer of our Company with effect from June 01, 2023. She is a Qualified Company Secretary and is also a member of the Institute of Company Secretaries of India. She has an approximate experience of 5 years in the field of Secretarial compliances. She is currently responsible to handle entire secretarial duties and compliances of our Company. She has been appointed in as Company Secretary with effect from June 01, 2023 and therefore has not received any remuneration during the Fiscal 2023.

#### **Other Notes –**

- The aforementioned KMP's and Senior Management are on the payrolls of our Company as permanent employees.
- For details of our KMPs and Senior Management is forming part of related parties as per the Accounting Standard 18, please see the chapter titled "*Financial Information- Note 24 of Restated Financial Statements*" on page no. 132 of this Draft Prospectus.

#### **RELATIONSHIP AMONGST THE KEY MANAGEMENT PERSONNEL SENIOR MANAGEMENT AND DIRECTORS**

Except as disclosed below, none of the aforementioned KMPs and Senior Management are related to each other and Directors.

Mr. Bhavesh Himmatal Shah and Ms. Nidhi Shah are related to each other as Father and Daughter.

#### **SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

For details of Equity Shares held by the Key Managerial Personnel and Senior Management as on date of this Draft Prospectus, see "*Capital Structure - Shareholding of our Directors and Key Managerial Personnel in our Company*" on page 56 of this Draft Prospectus.

#### **SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

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

#### **INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

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

#### **LOANS TAKEN BY KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

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

#### **ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS**

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

#### **BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

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

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

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

#### **EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN**

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

## **PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

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

## **CHANGES IN OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS FROM THE DATE OF FILING OF THIS DRAFT PROSPECTUS**

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

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment /Change in Designation</b>	<b>Reason</b>
Bhavesh Himmatlal Shah	Managing Director	June 01, 2023	Re designated as Chairman Managing Director
Hitesh Natvarlal Punjani	Whole-time Director	June 01, 2023	Re-designated as Whole-time Director
Parth Shah	Whole-time Director and Chief Executive Officer	June 01, 2023	Re-designated as Whole-time Director cum CEO
Nidhi Shah	Whole-time Director and Chief Financial Officer	June 01, 2023	Re-designated as Whole-time Director cum CFO
Varsha Sharma	Company Secretary and Compliance Officer	June 01, 2023	Appointment as Company Secretary

## OUR PROMOTER AND PROMOTER GROUP

### Our Promoters:

Bhavesh Himmatlal Shah and Hitesh Natvarlal Punjani are the Promoters of our Company. As on the date of this Draft Prospectus, our Promoters hold 1,11,02,800 Equity shares of our Company. Our Promoter and Promoter Group will continue to hold the majority of the post-issue paid-up Equity Share Capital of our Company. *For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure –Shareholding of our Promoters" beginning on page no. 56 of this Draft Prospectus.*

**Brief Profile of our Promoters is as under:**

	<p><b>Bhavesh Himmatlal Shah</b>, aged 55 years, is the Promoter, Chairman and Managing Director of our Company.</p> <p>For details of his residential address, date of birth, educational qualifications, professional experience, other directorships, positions / posts held in the past and other directorships, other ventures and special achievements, see the chapter titled <i>"Our Management"</i> on page 113 of this Draft Prospectus.</p> <p><b>Permanent account number:</b> AAPPS3073A</p>
	<p><b>Hitesh Natvarlal Punjani</b>, aged 49 years is the Whole Time Director of our Company.</p> <p>For details of his residential address, date of birth, educational qualifications, professional experience, other directorships, positions / posts held in the past and other directorships, other ventures and special achievements, see the chapter titled <i>"Our Management"</i> on page 113 of this Draft Prospectus.</p> <p><b>Permanent account number:</b> AKXPP8968M</p>

### Confirmations/Declarations

Our Company confirms that the Permanent Account Number, bank account number(s), passport number, aadhaar card number and driving license number of our promoters shall be submitted to the Stock Exchange at the time of filing of this Draft Prospectus.

### **Change in Control of our Company**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Prospectus.

### Experience of Promoters in the line of business

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter *"Our Management"* beginning on page no 113 of this Draft Prospectus.

### Other ventures of our Promoters

Except as disclosed in this section titled *"Risk Factors"* and *"Our Management"* on pages 23 and 113 of this Draft Prospectus, there are no other ventures, in which our Promoters has any business interests/ other interests.

## **Interest of our Promoters**

### ***Interest in promotion of Our Company:***

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the equity Shares held by them and their relatives. Our Promoters may also be deemed to be interested to the extent of his remuneration, as per the terms of his appointment and reimbursement of expenses payable to them, if any. For details regarding the shareholding of our Promoters in our Company, please see “*Capital Structure*” on page 56 of this Draft Prospectus.

### ***Interest in the property of Our Company:***

Our Promoters do not have any interest in any property acquired/rented by our Company in the three years before filing of this Draft Prospectus or proposed to be acquired by us as on date of Draft Prospectus.

### ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Promoters or directors are interested in any transaction for the acquisition of land, construction of building or supply of machinery.

### ***Other Interests in our Company***

Our Company is using our head office situated at Shop no.8, Pranam Nagar Co. Op. Society Chikoowadi, Shimpoli Road, Borivali (W)- Mumbai, Maharashtra which is owned by Mr. Bhavesh Shah, one of our promoters without paying any consideration, except it, for other monetary transactions entered in past please refer Note 24 on “*Restated Statement of Related Party Transactions*” on page 132 forming part of “*Financial Information of the Company*” of this Draft Prospectus.

### **Payment or Benefits to our Promoters and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoters and promoter group, please refer to the paragraph “*Compensation of our Managing Director*” in the chapter titled “*Our Management*” beginning on page 113 also refer Note 24 on “*Restated Statement of Related Party Transactions*” on page 132 forming part of “*Financial Information of the Company*” and Paragraph on “*Interest of Promoter*” in chapter titled “*Our Promoters and Promoter Group*” on page 127 of this Draft Prospectus.

### **Companies/Firms with which our Promoters has disassociated in the last (3) three years**

Except as mentioned below, our promoters have not disassociated themselves from any of the Company, firms or other entities during the last three years preceding the date of this Draft Prospectus.

<b><i>Name</i></b>	<b><i>Name of the Company</i></b>	<b><i>Date of disassociation</i></b>	<b><i>Reasons and circumstances of disassociation</i></b>
Bhavesh Shah	Traveller's Fashion Private Limited	March 25, 2021	Resignation from directorship

### **Defunct / Strike-off Company**

Except as mentioned below, our Promoters are or were not associated with the companies that were strike off with ROC in the past.

- Shreni Impex Private Limited
- Shreni Marketing Private Limited
- Aristos Projects and Services Private Limited (formerly known as Vora Builders Private Limited)
- Shreni Finance Private Limited

### **Material guarantees**

Except as stated in the “*Financial Indebtedness*” and “*Financial Information*” beginning on page nos. 169 and 132 of this draft prospectus respectively, there are no Material guarantees given to any third parties by the promoters with respect to

specified securities of the issuer.

### **Related Party Transactions**

For the transactions with our Promoter Group, please refer to section titled “*Note – 24 Restated Statement of Related Party Transactions*” on page 132 of this Draft Prospectus.

### **Other Confirmations**

- Our Promoters are not Wilful Defaulter or a Fraudulent Borrower.
- Our Promoters are not a Fugitive Economic Offender.
- Our Promoters and members of the Promoter Group have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.
- Our Promoters are not, and has not been in the past, a promoter or a director of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

### **OUR PROMOTER GROUP**

In addition to the Promoters named above, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

#### **1. Natural Persons who are part of the Promoter Group**

<b>Relationship</b>	<b>Name of the Relatives</b>	
	<b>Bhavesh Himmatlal Shah</b>	<b>Hitesh Natvarlal Punjani</b>
Father	Himmatlal Chimanlal Shah	--
Mother	--	Lalitaben Natvarlal Punjani
Spouse	Sapna Bhavesh Shah	Khyati Hitesh Punjani
Brother	Nirmal Shah Nikhil Shah	Jatin Punjani Atul Punjani
Sister	Preeti Navnit Sheth	Sudha Bhatt
Son	--	--
Daughter	Nidhi Shah Shreya Shah	Anjali Hitesh Punjani
Spouse's Father	Jitendra Vrajlal Shah	--
Spouse's Mother	Saroj Jitendra Shah	--
Spouse's Brother	Chirag Shah Nirav Shah	Dimple Kirti Shah
Spouse's Sister	--	--

#### **2. Corporate Entities or Firms forming part of the Promoter Group**

- Sanghavi Commodity Private Limited
- Shreni Commodity Private Limited
- Arni Shares Private Limited
- Cognatio Charters Solutions Private Limited
- Himmatlal C Shah HUF
- Bhavesh H Shah HUF
- Matoshri Jayaben Himmatlal Shah Charitable Trust

## **GROUP COMPANY**

In terms of the SEBI ICDR Regulations, the term - Group Company includes such companies (other than Promoters and subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements, as covered under the applicable accounting standards, and also other companies as considered material by our Board. Pursuant to a resolution dated June 02, 2023, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Prospectus, group companies of our Company shall include (i) the companies with which there were related party transactions as disclosed in the Restated Financial Statements; or (ii) such other company as deemed material by our Board. For the purposes of (ii) above, in terms of the materiality policy, a company shall be considered material and disclosed as a group company if the companies which are members of the Promoter Group of our Company and with which there were transactions in the most recent financial year for which restated audited financial statements are included in the Offer Documents, which individually or in the aggregate, exceeding 10% of the annual turnover of the Company for the latest restated annual financial statements.

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

## **DIVIDEND POLICY**

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

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

The interim dividend declared by our Company during the three Fiscals as per the audited restated financial statement are set out in the following table:

<b>Particulars</b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>
Face Value per Share (in₹)	10.00	10.00	10.00
Interim Dividend (₹ in Lacs)	49.97	Nil	Nil
Dividend Tax (₹ in Lacs)	NA	Nil	Nil
Equity Share Capital (₹ in Lacs)	999.39	999.39	999.39
Rate of Dividend	5%	Nil	Nil

## SECTION VII – FINANCIAL INFORMATION

### FINANCIAL STATEMENT

To  
The Board of Directors  
Shreni Shares Limited  
Mumbai

Dear Sir

1. We have examined attached Restated Statement of Assets and Liabilities of **Shreni Shares Limited** ('the Company') formerly known as Shreni Shares Private Limited which comprise the Balance Sheet as at March 31, 2023, March 31, 2022 And March 31, 2021 Restated statement of Profit & loss and Restated Statement of Cash flow statement for the period ended at March 31, 2023, March 31, 2022 And March 31, 2021 annexed to this report for the purpose of inclusion of draft prospectus and/or prospectus prepared by the company (collectively the "**Restated Summary Statement**" or "**Restated Financial Statement**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the company in connection with its proposed SME initial Public Offerings (IPO) of Equity Shares ("SME IPO") on relevant Stock Exchange.
2. These restated summary statements have been prepared in accordance with the requirements of:
  - (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended ("ICDR Regulations") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI")
  - (iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")
3. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Offer Document/ Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation of the Restated Financial Information. The Board of Directors responsibility includes designing implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
4. We, M/s J. D. Shah Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds the peer review certificate dated 10<sup>th</sup> March, 2021 and valid till 29<sup>th</sup> February, 2024. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us
5. We have examined such restated financial statements taking into consideration:
  - (i) The terms of reference and terms of our engagement agreed upon with you in accordance with our letter dated April,29 ,2023 in connection with the Draft Offer Document / Offer Document being issued by the Company for its proposed Initial Public Offering of equity shares on relevant stock exchange ("IPO" or "SME IPO"); and
  - (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("Guidance Note"). The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
  - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
6. These Restated Financial Statements of the Company have been extracted by the management from the audited financial statements of the Company for the period ended on as at March 31,2023, 2022 and 2021 which has been approved by the Board of Directors. The Opening Balance of Reserve and Surplus has been extracted from the Closing Balance of Reserve and Surplus from Restated Financials of 2019-20 of the Company

7. Based on our examination, we are of the opinion that the restated financial statements have been prepared:
  - a) Using consistent accounting policies for all the reporting periods.
  - b) Adjustments for prior period and other material amounts in the respective financial years to which they relate
  - c) There are no extra-ordinary items other than those appearing in financials that need to be disclosed separately in the accounts and requiring adjustments.
  - d) There are no audit qualifications in the audit reports issued by the statutory auditor for the period ended March 31, 2023, 2022 and 2021 which would require adjustments in these restated financial statements of the Company.
8. Audit for the period ended March 31, 2023 was conducted by us, whereas audit for March 2022 and March, 2021 were conducted by Mehul M. Shah & Co. The financial report included for these periods is based solely on the report submitted by Mehul M. Shah & Co. for March 2022 and March 2021. Further financial statements for period ended on March 31, 2023 have been reaudited by us as per the relevant guidelines.
9. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended on March 31, 2023, 2022 and 2021 proposed to be included in the Draft Offer Document/ Offer Document.

Annexure to restated financial statements of the Company:

1. Summary statement of assets and liabilities, as restated;
2. Summary statement of profit and loss, as restated;
3. Summary statement of cash flow as restated;
4. Restated significant accounting policies and notes to accounts:
5. Share capital as restated;
6. Reserves and surplus as restated;
7. Long-term borrowings as restated;
8. Deferred tax asset/liability as restated;
9. Long-term provisions as restated;
10. Short-term borrowings as restated;
11. Trade payables as restated;
12. Other current liabilities as restated;
13. Short-term provisions as restated;
14. Property, Plant & Equipment as restated;
15. Non-current investment as restated;
16. Long-term loans and advances as restated;
17. Inventories as restated;
18. Trade receivables as restated;
19. Cash & cash equivalents as restated;
20. Short-term loans & advances as restated;
21. Other current assets as restated;
22. Revenue from operations as restated;
23. Other income as restated;
24. Employees benefit expenses as restated;
25. Finance cost as restated;
26. Depreciation as restated;
27. Other expenses as restated;
28. Contingent liabilities as restated;
29. Related party transactions as restated;
30. Tax shelter as restated;
31. Capitalisation statement as restated;
32. Statement of accounting ratios & additional Information as restated,
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. In our opinion, the above financial information contained in Annexure to this report read with the respective significant accounting policies and notes to restated summary statements as set out in Note 2 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Offer Document/ Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For J. D. Shah Associates**  
**Chartered Accountants**  
**FRN: 109601W**

**Jayesh D. Shah**  
**Partner**  
**M.No. 042167**

**UDIN: 23042167BGYDPK1205**

Place: Mumbai  
Date: June 13, 2023

## **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### **BUSINESS OVERVIEW**

Our company is engaged in the business of Client Broking, Investment Banking and Treasury Operations. We offer diversified financial and advisory services in the areas of Capital Markets, Corporate Restructuring, Valuations. We work under the guidance of our promoters, Bhavesh Himmatlal Shah and Hitesh Natvarlal Punjani, who have been instrumental in evolving our business operations, growth and future prospects.

We obtained registration with SEBI as Stock Broker (Member of BSE and NSE) in the year 2010. Further, in the same year, we obtained registration as a clearing member in Equity, Equity Derivative and Currency Derivative segments with NSE Clearing Limited ("NCL") and Indian Clearing Corporation Limited ("ICCL"). Looking into the opportunities in the Depository and Participants business, we forayed into the depositories business and received permanent registration from SEBI as Depository Participant of the Central Depository Services (India) Limited ("CDSL") in the year 2012. With a plan to further diversify the operations of the company from Client broking and Depository services, our company entered into Merchant Banking Industry and received the registration as Category I Merchant Banker with SEBI in the year 2020. This division was founded by one of our Directors, Parth Shah having more than 8 years of experience in the Merchant Banking Industry. In this segment, we are primarily focused on providing Merchant Banking services to Small and Midsized Enterprises (**SMEs**). We are also registered as Market Maker with SEBI and are providing Market Making Services too.

#### **Our Business is divided into following verticals:**

- Client Broking and Depository Services
- Investment Banking
- Treasury Operations

#### **Significant Developments after March 31, 2023 that may affect our Future Results of Operations**

In the opinion of the Board of Directors of our Company, since March 31, 2023, except for below, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

1. Our Company has issued bonus shares in the ratio of 1:1 to the existing shareholders in the board meeting held on May 05, 2023.
2. The status of our Company has changed to Public Limited and the name of our Company has been changed to "Shreni Shares Private Limited" to "Shreni Shares Limited" "vide Special Resolution passed by the Shareholders at the Extra-Ordinary General Meeting of our Company held on May 11, 2023. The fresh Certificate of Incorporation consequent to conversion was issued on May 26, 2023 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U67190MH2009PLC195845.
3. The Board of our Company has approved to raise funds through Initial Public Offering in the board meeting held on May 30, 2023.
4. The members of our Company approved proposal of Board of Directors to raise funds through initial public offering in the EGM held on June 02, 2023.

## **FACTORS AFFECTING OUR RESULT OF OPERATIONS**

Our business is subject to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” onpage 23 beginning of this Draft Prospectus.

Our Company’s future results of operations could be affected potentially by the following factors:

- Changes in laws and regulations relating to the sectors/areas in which we operate
- Increased competition in Financial Services Industry;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Our ability to manage risks that arise from above factors;
- Changes in government policies and regulatory actions that apply to or affect our business;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition and
- Inability to adequately protect our trademarks;

**RESULTS OF OUR OPERATIONS**

(₹ in lakhs)

Particulars	For the year ended March 31,					
	2023	% of Total Income	2022	% of Total Income	2021	% of Total Income
<b>INCOME:</b>						
Revenue from Operations	2,054.40	99.07%	1,228.87	99.14%	709.94	98.42%
Other Income	19.26	0.93%	10.72	0.86%	11.41	1.58%
<b>Total Income (A)</b>	<b>2,073.66</b>	<b>100.00%</b>	<b>1,239.58</b>	<b>100.00%</b>	<b>721.35</b>	<b>100.00%</b>
<b>EXPENSES:</b>						
Employee benefit expenses	472.91	22.81%	262.41	21.17%	124.28	17.23%
Finance costs	117.53	5.67%	92.88	7.49%	30.55	4.24%
Depreciation and amortization	16.47	0.79%	19.16	1.55%	17.66	2.45%
Other expenses	702.90	33.90%	178.98	14.44%	116.69	16.18%
<b>Total Expenses (B)</b>	<b>1,309.82</b>	<b>63.16%</b>	<b>553.43</b>	<b>44.65%</b>	<b>289.17</b>	<b>40.09%</b>
Profit / (Loss) before exceptional and extraordinary items and tax	763.85	36.84%	686.16	55.35%	432.18	59.91%
Exceptional items						
Profit / (Loss) before extraordinary items and tax						
Prior period expense	--	--	--	--	11.72	0.02%
<b>Profit before tax</b>	<b>763.85</b>	<b>36.84%</b>	<b>686.16</b>	<b>55.35%</b>	<b>432.18</b>	<b>59.91%</b>
<b>Less: Tax expense</b>						
-Current tax	221.60	10.69%	117.18	9.45%	76.44	10.60%
-MAT Credit	0.00	0.00%	(23.26)	(1.88)%	(108.24)	(15.00)%
-Income tax earlier year	(0.57)	(0.03)%	3.26	0.26%	13.60	1.89%
-Deferred tax	(24.81)	(0.01)	95.22	0.08	(63.19)	(0.09)
<b>Profit / (Loss) for the period from continuing operations</b>	<b>567.63</b>	<b>27.37%</b>	<b>493.76</b>	<b>39.83%</b>	<b>501.85</b>	<b>69.57%</b>

## ***Main Components of our Profit and Loss Account***

### **Income**

Our total income comprises of revenue from Brokerage and transaction charges, Merchant Banking Income, Income from Trading in equity, equity derivatives and currency derivatives, Other Operating Revenues

#### *Revenue from Operations*

Our revenue from operations as a percentage of total income was 99.07%, 99.14%, and 98.42%, for the fiscal 2023, 2022 and 2021 respectively.

#### *Other Income*

Our other income comprises of interest income and dividend income, as a percentage of total income was 0.93%, 0.86%, and 1.58%, for the fiscal 2023, 2022 and 2021 respectively.

### **Expenditure**

Our total expenditure primarily consists of employee benefit expenses, finance cost, depreciation and amortization expenses, other expenses.

#### *Employee Benefit Expenses*

Employee benefit expenses comprises of salaries, staff welfare expenses, contribution to PF & other funds.

#### *Depreciation and Amortization Cost*

Depreciation and Amortization Expenses consist of depreciation on the Tangible assets of our company i.e. Buildings, Furniture & Fixtures, Plant & Machinery, Computer and Office Equipment's.

#### *Finance costs*

Finance cost includes Interest on Borrowings, interest on Debentures and other charges.

#### *Other Expenses*

Other expenses include Membership fees, Demat and other charges, Exchange and Depositories charges, client IPO Expenses, SEBI Charges, Legal & professional expenses, Rent, Insurance expense, Telephone and Internet charges, Auditor's fees, CSR Expenses, Software expenses and Miscellaneous expenses.

### ***Provision for Tax***

The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **Fiscal 2023 compared with fiscal 2022**

### *Income*

In fiscal 2023, our revenue from operations increased by ₹ 8,25.53 lakhs or 67.18%, from ₹ 1,228.87 lakhs in fiscal 2022 to ₹ 2054.39 lakhs in fiscal 2023. The increase in the year 2023 was due to increase in the advisory services performed and profits in share and securities trading compared to last year.

Other income increased by ₹ 8.54 lakhs or 79.68%, from ₹ 10.72 lakhs in fiscal 2022 to ₹ 19.26 lakhs in fiscal 2023 as we have earned a good share of interest income from deposits made during the Fiscal 2023.

#### *Employee Benefit Expenses*

Employee Benefit Expenses increased by ₹ 210.50 lakhs or 80.22%, from ₹ 262.41 lakhs in fiscal 2022 to ₹ 472.91 lakhs in fiscal 2023. This increase was mainly due to increase in salaries, bonus and staff welfare expenses.

#### *Finance Costs*

Finance Costs increased by ₹ 24.65 lakhs or 26.54%, from ₹ 92.88 lakhs in fiscal 2022 to ₹ 117.53 lakhs in fiscal 2023. This increase was mainly due to increase in borrowing from bank which increase our interest cost during the year.

#### *Depreciation Expenses*

Depreciation expenses were ₹ 19.16 lakhs in fiscal 2022 as compared to ₹ 16.47 Lakhs in fiscal 2023.

#### *Other Expenses*

Other expenses increased by ₹ 523.94 lakhs or 292.74% from ₹ 178.98 lakhs in fiscal 2022 to ₹ 702.91 lakhs in Fiscal 2023. The increase majorly consisted of Legal and Professional fees, Membership fees, Referral Commission and Fees and Corporate social responsibility expense paid during the year.

#### *Profit/ (Loss) before Tax*

The increase in scale of operations has led to increase in our Profit before tax by ₹ 77.67 lakhs 11.32 % from ₹ 686.16 lakhs in fiscal 2022 to ₹ 763.83 lakhs in fiscal 2023.

#### *Tax Expenses*

The Company's tax expenses had increased by ₹ 3.82 lakhs from 192.40 lakhs in the Fiscal 2022 to ₹ 196.22 lakhs in Fiscal 2023 as tax liability increases with rise in profits earned during the year.

#### *Profit/ (Loss) after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 73.85 lakhs or 14.96 %, from ₹ 493.76 lakhs in fiscal 2022 to ₹ 567.61 lakhs in fiscal 2023.

### **Fiscal 2022 compared with fiscal 2021**

#### *Income*

In fiscal 2022, our total income increased by ₹ 581.93 lakhs or 73.09%, from ₹ 709.94 lakhs in fiscal 2021 to ₹ 1,228.87 lakhs in fiscal 2022. The increase in the year 2022 was due to increase in clientele for advisory service and brokerage service performed by us.

Other income decreased by ₹ 0.69 lakhs or 6.06%, from ₹ 11.41 lakhs in fiscal 2021 to ₹ 10.72 lakhs in fiscal 2022 due to decrease in dividend income and interest income.

#### *Employee Benefit Expenses*

Employee Benefit Expenses increased ₹ 138.13 lakhs or 111.14%, from ₹ 124.28 lakhs in fiscal 2021 to ₹ 262.41 lakhs in fiscal 2022. This increase was mainly due to increase in salaries, bonus and staff welfare expenses.

#### *Finance Costs*

Finance Costs increased by ₹ 62.33 lakhs or 204.03%, from ₹ 30.55 lakhs in fiscal 2021 to ₹ 92.88 lakhs in fiscal 2022. This increase was mainly due to increase in borrowing from bank which increase our interest cost during the year.

### *Depreciation Expenses*

Depreciation expenses were ₹19.16 lakhs in fiscal 2022 as compared to ₹17.66 lakhs in fiscal 2021.

### *Other Expenses*

Other expenses increased by ₹62.29 lakhs or 53.38 % from ₹ 178.98 lakhs in fiscal 2022 to 116.69 lakhs in Fiscal 2021. The increase majorly consisted of legal and professional fees, Membership fees, client IPO expenses and software expenses paid during the year.

### *Profit/(Loss) before Tax*

The increased in revenue from operations has led to increased in our Profit before tax by ₹ 253.98 lakhs or 63.19 % from ₹ 432.18 lakhs in fiscal 2021 to ₹ 686.16 lakhs in fiscal 2022.

### *Tax Expenses*

The Company's current tax expenses had increased by ₹ 273.79 lakhs from (81.39) lakhs in the Fiscal 2021 to ₹ 194.40 lakhs in Fiscal 2022 as tax liability increases with rise in profits earned during the year.

### *Profit/(Loss) after Tax*

After accounting for taxes at applicable rates, our Profit after Tax decreased by ₹ 8.08 lakhs or 1.61%, from ₹ 501.85 lakhs in fiscal 2021 to ₹ 493.76 lakhs in fiscal 2022.

### **Information required as per Item (II) © (iv) of Part A of Schedule VI to the SEBI Regulations:**

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

#### **1. Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, during the years under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page no. 132 and 162 respectively of this Draft Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

#### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*” on page no. 23 and 162 respectively of this Draft Prospectus respectively, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

#### **4. Future relationship between Costs and Income**

Our Company's future costs and revenues will be determined by movement of the Stock market, demand in the Stock brokering business and government policies.

#### **5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new services or increased prices**

Increase in revenues is largely linked to increase in Mandates received, Advisory services provided, Brokerage transaction incurred and gain from Trading shares & securities with increase in clientele.

**6. Status of any publicly announced new services or business segments**

Please refer to the chapter titled “*Our Business*” on page no. 93 of this Draft Prospectus.

**7. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

**8. Any significant dependence on a single or few suppliers or customers**

Our revenue is not dependent on a single or a few customers.

**9. Competition Conditions**

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on page 87 and 93 respectively of the Draft Prospectus.

## FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on March 31, 2023 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

*(in Rupees lakhs)*

<b>Nature of Borrowings</b>	<b>March 31, 2023</b>
Long Term Borrowings (Refer note A below)	1,257.36
Short Term Borrowings (Refer note B below)	116.50
<b>Total</b>	<b>1,373.86</b>

**(A)**

<b>Sr. No.</b>	<b>Name of the Banks/ FI</b>	<b>Purpose</b>	<b>Sanction amount</b>	<b>Rate of Interest</b>	<b>Securities offered</b>	<b>Re-payment</b>	<b>Moratorium</b>	<b>Outstanding amount As at Mar 31,2023</b>
1	Yes Bank	Term loan	155.00	9.50%	Mortgage created on directors assets	Payable in 182 equal monthly installments starting from the month following the month of first disbursement ie. 15th January 2021		144.10
2	ICICI Bank- 5575	Term loan	190.00	Floating rate of interest 8.70% to 10.95%	Exclusive charge on Office situated at A-102 , Sealord Bldg , Ramnagar, Borivali (West), Mumbai- 400092	Payable in 180 equal monthly installments starting from the month following the month of first disbursement ie. 5th November 2019		60.70
3	ICICI Bank- 7189	Top up loan	37.48	Floating rate of interest	Exclusive charge on Office situated at A-102 , Sealord Bldg , Ramnagar, Borivali (West), Mumbai- 400092	Payable in 36 equal monthly installments after the expiry of Moratorium period	12 Months	-

4	ICICI Bank-HIV 67	Term loan	360.00	Floating rate of interest 8.15% to 9.05%	Exclusive Charge On 217 Office No 217 2nd Floor Icon Wing A Borsapada L T Nagar Near Raghuleela Mall Kandivali West Mumbai- 400067	Payable in 263 equal monthly installments starting from the month following the month of first disbursement ie. 11th April 2022		352.55
5	Series A	Unlisted Non-convertible Debentures	1,000.00	13.00%	second charge on the immovable property of the company	Date of Redemption 31/12/2030		700.00
<b>Total (A)</b>								<b>1,257.36</b>

**(B)**

Particulars	March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Repayment Period	Terms
Loan from directors	104.00	Nil	NA	NA	NA	Loan from Directors are interest free and repayable on demand
<b>Total</b>	104.00					

## **SECTION VII – LEGAL AND OTHER REGULATORY INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) actions taken by statutory and/or regulatory authorities; (iii) outstanding claims related to direct or indirect taxes; or (iv) other pending litigation as determined to be material by our Board as per the Materiality Policy (as defined below) in each case involving our Company, Promoters and Directors (“Relevant Parties”). Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five financial years, including any outstanding action.*

*Our Board, in its meeting held on June 2, 2023, determined that outstanding legal proceedings involving the Relevant Parties will be considered as material ('Materiality Policy') if (i) the aggregate monetary claim made by or against the Company, its Directors, or its Promoters as the case may be, in any such pending litigation or arbitration proceeding is in excess of 10% of the revenue of the Company as per the Restated Financial Statements; or (ii) in such litigation or arbitration proceeding involving the Company, its Directors or its Promoters where the monetary liability is not quantifiable, or which does not fulfill the threshold specified in (i) above, the outcome of which litigation or arbitration proceeding could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company.*

*It is clarified that pre-litigation notices received by the Company, its Promoters and its Directors, unless otherwise decided by the Board of Directors of the Company, shall not be evaluated for materiality until such time that the Company, its Promoters or its Directors are impleaded as defendants in litigation proceedings before any judicial forum*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated June 2, 2023. In terms of the materiality policy, the dues owed by our Company to any creditor of our Company to exceeding 10% of the revenue of the Company as per the Restated Financial Statements of our Company disclosed in this Draft Prospectus, shall be considered as material dues and such creditors would be considered as material creditors. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved, shall be uploaded and disclosed on the webpage of the Company as required under the SEBI ICDR Regulations.*

*For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors. Details of outstanding dues to material creditors along with the name and amount for each material creditor shall be uploaded and disclosed on the webpage of the Company as required under the SEBI ICDR Regulations.*

*Our Company does not have any subsidiaries and therefore, there are no outstanding litigation involving our subsidiaries which will have a material impact on our Company.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.*

#### **I. LITIGATIONS INVOLVING THE COMPANY**

##### **A. LITIGATION FILED AGAINST OUR COMPANY**

###### **1. Litigation Involving Criminal Matters**

NIL

###### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation / Matters Involving Tax Liabilities**

*a) Direct Tax Liability*

Sr No.	Type of Direct Tax	No. of Cases	Amount in dispute/demanded to the extent quantifiable (₹. in Lakhs)	Stage
1	Income Tax – Assessment Year 2018 -2019	1	Unascertainable	Pending at scrutiny stage.
2	Income Tax – Assessment Year 2018 - 2019	1	0.69	The Company has preferred Appeal against the Assessment Order dated December 21, 2019 which is pending

*b) Indirect Tax Liability*

NIL

**4. Other Pending Litigations**

NIL

**II LITIGATIONS INVOLVING PROMOTERS OF OUR COMPANY**

**A. LITIGATIONS AGAINST PROMOTERS OF OUR COMPANY**

**1. Criminal Litigations**

NIL

**2. Action by regulatory and statutory authorities**

NIL

**3. Litigation/Matters Involving Tax Liabilities**

For details of tax litigations involving our Promoters, please see the section titled “Litigations Against Directors of our Company- Litigation/Matters Involving Tax Liabilities-(a) Direct Tax Liabilities” on page 171 of this Draft Prospectus.

**4. Other Pending Litigations**

NIL

**III LITIGATIONS FILED BY THE PROMOTERS OF OUR COMPANY**

**1. Criminal Litigations**

NIL

**2. Action by regulatory and statutory authorities**

NIL

**3. Litigation/Matters Involving Tax Liabilities**

NIL

4. **Other Pending Litigations**

NIL

**IV LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY**

**A LITIGATIONS AGAINST DIRECTORS OF OUR COMPANY**

1. **Criminal Litigations**

NIL

2. **Action by regulatory and statutory authorities**

NIL

3. **Litigation/Matters Involving Tax Liabilities**

a) **Direct Tax Liability**

Mr. Bhavesh Shah

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/demanded to the extent ascertainable (₹ . in Lakhs)	Stage
1.	Income-tax - AY 2018-19	1	2.25	Demand disputed by the Assessee Bhavesh Shah. The matter is pending.
2.	Income-tax - AY 2019-20	1	2.19	Demand disputed by the Assessee Bhavesh Shah. The matter is pending.

b) **Indirect Tax Liabilities**

NIL

4. **Other Pending Litigations**

NIL

**V LITIGATIONS FILED BY DIRECTORS OF OUR COMPANY**

**1. Litigation Involving Criminal Matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation/Matters involving Tax Liabilities**

a) **Direct Tax Liabilities**

NIL

b) **Indirect Tax Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**A. Disciplinary action taken against our Company and Promoters by SEBI or any stock exchanges in the last 5 (five) financial years**

**i. Adjudication Order No: Order/GR/BM/2021-2022/13339 issued by the Securities and Exchange Board of India (hereinafter “SEBI”), Mumbai office under Section 15-I of the read with Rules 5 of the SEBI (Procedure for holding inquiry and imposing penalties) Rules, 1995 and under Section 23-I of Securities Contracts (Regulation) (Procedure for holding inquiry and imposing penalties) Rules, 2005.**

SEBI conducted an inspection of books of accounts, documents and other records of the Company from September 16, 2019 to September 20, 2019 to understand the practices and system of segregation and clients' own funds and securities, settlement of running Accountant, margin verification, client related issues, investor grievance handling mechanism, PMLA, KYC and Account opening process, pledge, DIS and transfer related aspects. Based on the findings of the inspection, SEBI initiated proceedings against the Company under the provisions of Section 15HB of the SEBI Act, 1992 and Section 23D of the Securities Contracts (Regulation) Act, 1956 for misuse of client funds, client funding, enhanced risk-based supervision, verification of data submitted towards Weekly Monitoring of Client Funds, Client Registration Process (KYC and KRA Process) and net worth Verification. The show cause notice dated March 04, 2021 was sent to the Company on March 18, 2021, asking as to why there should not be any initiation of inquiry and why should penalty not be imposed and the reply was given vide email dated April 8, 2021. Proceedings were initiated against the Company and a penalty of ₹. 3,00,000/- (Rupees Three Lakhs Only) was levied and that the same was to be paid within 45 days of receipt of the order.

SEBI had vide its letter dated April 19, 2022 had intimated to the Company about non-compliance with provisions of SEBI (Merchant Bankers) Regulations, 1992 in the matter of Open Offer of IO System Limited. SEBI indicated that the Company had failed to exercise due diligence, care and professional judgement independently with respect to information provided by the listed entity about the living status of one of the member of Promoter Group of IP System Ltd. SEBI warned the Company to be more careful in future and advised the Company to strictly adhere to the code of conduct for Merchant Bankers as specified in Schedule III of SEBI (Merchant Bankers) Regulations, 1992 failing which appropriate action will be initiated against the Company including cancellation/suspension of Certificate of Registration as a Merchant Banker.

**B. Details of dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006**

As of March 31, 2023, there were no cases of over dues to micro and small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

**C. Material Creditors of the Company having amount outstanding as on March 31, 2023 exceeding 10% of the annual turnover of the Company for the most recent audited fiscal period of the Company.**

As of period ended March 31, 2023, we had 177 creditors to whom an amount amounting to ₹ 144.53 lakhs was outstanding out of which no creditors were material creditors in terms of the Materiality Policy and the total amount due to such material creditors was ₹ Nil. **For further details, please see website [www.shreni.in](http://www.shreni.in)**

*Information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.*

**D. Material developments occurring after last balance sheet date**

Except as disclosed elsewhere in this Draft Prospectus and in the chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 162, there have been no material developments since the date of the last financial statements as disclosed in the Draft Prospectus.

## GOVERNMENT AND OTHER KEY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities /certification bodies required to undertake the Issue or continue our business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. It must, however, be distinctly understood that in granting the approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*Following statements set out the details of licenses, permissions and approvals obtained by the Company under various central and state legislations for carrying out its business activities.*

The Company has its business located at the following locations:

**Registered Office:** Office No. 102, 1<sup>st</sup> Floor, Sea Lord CHS, Plot No. 1/B, 1/A, Survey No. A-12, Ram Nagar, Borivali (West), Mumbai – 400092.

**Head Office:** Shop no. 8, Pranam CHS, Chikoowadi Next to Linking Road, Borivali (West), Mumbai – 400092.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

### I. APPROVALS FOR THE ISSUE

#### 1. Corporate Approvals

The following approvals have been obtained or will be obtained in connection with the Issue:

- i. Our Board of Directors have pursuant to a resolution passed at its meeting held on May 30, 2023 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary. Our Board has taken on record the approval for the offer for sale by the Promoter Selling Shareholders pursuant to a resolution at is meeting held on May 30, 2023.
- ii. The Issue of Equity Shares has been authorized by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 in an Extra Ordinary General Meeting held on June 2, 2023.
- iii. In principle approval letter dated [●] from BSE (SME Segment) for the listing of Equity Shares issued by our Company pursuant to the Issue.

#### 2. Incorporation Related Approvals

- i. Certificate of Incorporation dated September 7, 2009 issued to Shreni Shares Private Limited by the Registrar of Companies, Mumbai, Maharashtra.
- ii. Fresh Certificate of Incorporation upon Conversion from Private Company to Public Company dated May 26, 2023 issued to our Company by the Registrar of Companies, Mumbai, consequent upon change of name from Shreni Shares Private Limited to Shreni Shares Limited.
- iii. The Company's International Securities Identification Number is INE0G1R01014.
- iv. The Corporate Identity Number (CIN) of the Company is U67190MH2009PLC195845.

### II. APPROVALS OBTAINED BY OUR COMPANY

Sr No.	Nature Of License/ Approval	Registration / License No.	Issuing Authority	Date Of Grant	Validity
<b>LABOUR LAWS RELATED APPROVALS</b>					
1.	Certificate of Employees Provident Fund*	KDMAL2505697000	Employee's Provident Fund Organisation	September 17, 2009	Valid until cancelled

Sr No.	Nature Of License/ Approval	Registration / License No.	Issuing Authority	Date Of Grant	Validity
<b>LABOUR LAWS RELATED APPROVALS</b>					
2.	Certificate of Employees State Insurance Corporation*	31001176790001099	ESIC Regional Office – Mumbai	November 1, 2021	Valid until cancelled
3.	Certificate of Registration of Shop and Establishment under Maharashtra Shops & Establishment (Regulation of Employment and Condition of Service) Act, 2017 of Office No. A-102, Sea Lord CHS, Ram Nagar, Borivali (West), Mumbai - 400092	820291069	Labour Department, Government of Maharashtra	June 12, 2023	June 12, 2033
4.	Intimation under Maharashtra Shops & Establishment (Regulation of Employment and Condition of Service) Act, 2017 of Office No. 201, Satguru Krupa, Zakaria Road, opp Lokmanya Library, Malad West, Mumbai – 400067	890738152	Labour Department, Government of Maharashtra	June 13, 2023	-
5.	Certificate of Registration of Shop and Establishment under Maharashtra Shops & Establishment (Regulation of Employment and Condition of Service) Act, 2017 of Office No. 8, Pranam CHS, Chikuwadi, Next to Linking Road, Borivali (West), Mumbai - 400092	820292742	Labour Department, Government of Maharashtra	June 21, 2023	June 21, 2033
<b>BUSINESS RELATED APPROVALS</b>					
1.	Certificate of Registration as Participant issued under SEBI (Depositories & Participation) Regulations 1996*	IN-DP-534-2020	SEBI	August 13, 2012	Certificate will be valid unless suspended or cancelled
2.	Certificate of Registration as Market Maker issued under BSE (SME Segment) *	SMEMM0621909112018	BSE – Mumbai	November 09, 2018	Certificate will be valid unless suspended or cancelled
3.	Certificate of Registration as Market Maker issued by NSE (SME Segment) *	NSE/MEM/2536/14109	NSE	November 19, 2018	Certificate will be valid unless suspended or cancelled
4.	Certificate of Registration as Stock Broker issued under SEBI (Stock Brokers & Sub – Brokers) Regulations 1992*	INZ000268538	SEBI	June 20, 2019	Certificate will be valid unless suspended or cancelled

Sr No.	Nature Of License/ Approval	Registration / License No.	Issuing Authority	Date Of Grant	Validity
<b>LABOUR LAWS RELATED APPROVALS</b>					
5.	Certificate of Registration as Merchant Banker under SEBI (Merchant Bankers) Regulations 1992	INM000012759	SEBI	January 20, 2020	Certificate will be valid unless suspended or cancelled
<b>TAX RELATED APPROVALS</b>					
1.	Permanent Account Number (PAN)	AANCS4073K	Income Tax Department	September 17, 2009	Valid Until Cancelled
2.	Tax Deduction Account Number (TAN)	MUMS67185G	Income Tax Department	June 23, 2010	Valid until cancelled
3.	Certificate of Registration of Goods and Service Tax	27AANCS4073K1ZT	Government of India	July 19, 2018	Valid Until Cancelled
4.	Certificate of Professional Tax Registration*	27205242203P	Maharashtra Sales Tax Department - Mumbai	January 4, 2009	Valid until cancelled

\* All above-mentioned approvals are in the previous name of the Company i.e. Shreni Shares Private Limited.

### III. REGULATORY APPROVALS

- i. Registration as a stock broker with NSE for carrying on the activities of buying, selling or dealing in securities and such other activities as may be permitted by NSE, dated November 01, 2010, issued by SEBI under Securities and Exchange Board of India (Stock Brokers and Sub – Brokers) Regulation,1992.
- ii. Registration as a trading and clearing Member of NSE for carrying on the activities of dealing in derivatives, clearing and settlement of derivatives trades and such other activities as may be permitted by NSE, dated June 20, 2019 issued by SEBI under Stock Exchange Board of India (Stock Brokers and Sub – Brokers) Regulation,1992. Registration as a trading member of NSE for carrying on the activities of dealing in currency derivatives, clearing and settlement of currency derivatives trades and such other activities as may be permitted by NSE, dated June 20, 2019 issued by SEBI under Securities and Exchange Board of India (Stock Brokers and Sub – Brokers) Regulation,1992.
- iii. Registered as a stock broker (as a member of BSE) for carrying on the activities of buying, selling or dealing in securities and such other activities as may be permitted by BSE, dated November 27, 2010 issued by SEBI under Securities and Exchange Board of India (Stock Brokers and Sub – Brokers) Regulation,1992.
- iv. Registration as a trading and clearing member of BSE for carrying on the activities of dealing in derivatives, clearing and settlement of derivatives trades and such other activities as may be permitted by MSEL, dated April 01, 2019 issued by Securities and Exchange Board of India (Stock Brokers and Sub – Brokers) Regulation, 1992.
- v. Registration as a Category I merchant banker for carrying on the activities of management of any issue, Investment Advisor, underwriting of issues and consultant or advisor, dated January 20, 2020 issued by SEBI under Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

### IV. INTELLECTUAL PROPERTY RELATED APPROVALS

As on the date of the Draft Prospectus, our Company has registered 1 (one) trademark in India as disclosed below:

Sr No.	Description	Class	Trademark Number	Date of Registration
1.	<b>SHRENI SHARES</b>	36	2063503	Valid for 10 years from December 6, 2020 to December 6, 2030 and further valid from December

Sr No.	Description	Class	Trademark Number	Date of Registration
				6, 2020 to December 6, 2030.

#### **V. PENDING APPROVALS**

- i. The Company has made an application for intimation under Maharashtra Shops & Establishment (Regulation of Employment and Condition of Service) Act, 2017 for its premises located at 308, Jaydeep Emphasis, Wagle Industrial Estate, Datta Mandir Road, Thane, Thane (Municipal Corporation), Thane – 400604. A receipt of intimation is awaited.
- ii. The Company has applied to various authorities such as SEBI, NSE, BSE, Maharashtra Sales Tax Department, Employee's Provident Fund Organisation and Employees' State Insurance Corporation to record the change in its name pursuant to conversion from private limited company to public limited company which will be updated in the records of the relevant authorities in due course.

## SECTION IX – OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE OFFER

#### Fresh Issue

Our Board of Directors, pursuant to a resolution passed at their meeting held on May 30, 2023 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on June 02, 2023 authorized the Issue.

#### Offer for Sale

The Offer for Sale has been authorized by a resolution of the Board of Directors of the Company passed at their meeting held on May 30, 2023 and approval of shareholders has been taken by passing special resolution passed under section 28 of the Companies Act, 2013 at an Extra-Ordinary General Meeting held on June 02, 2023

The Selling Shareholders have authorized the transfer of Equity Shares pursuant to the Offer as set out in below table.

Name of Selling Shareholders	Number of Equity Shares offered for sale	Date of Consent Letter
Mr. Hitesh Natvarlal Punjani	Upto 12,00,000	June 07, 2023
Ms. Nidhi Shah	Upto 13,17,600	June 07, 2023

The Equity shares being offered by the Selling Shareholders have been held for a period of at least one year prior to the date of filing of this Draft Prospectus and, hence, eligible for being offered for sale in the Offer. The Selling Shareholders have confirmed that they have not been prohibited from dealings in securities market and the Equity Shares offered and to be sold are free from any lien, encumbrance or third-party rights.

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in this Draft Prospectus/Prospectus pursuant to an approval letter dated [●] BSE is the Designated Stock Exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Further, our company, selling shareholders, promoters, members of the promoter group, directors, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### PROHIBITION BY RBI

Neither our Company, selling shareholders nor any of our Promoters or Directors has been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Draft Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, selling shareholders, our Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Draft Prospectus.

## **ELIGIBILITY FOR THE OFFER**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

This Offer is being made in terms of Regulation 229(2) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, as we are an Issuer whose post issue paid up capital is more than ₹ 10.00 Crores but less than ₹ 25.00 and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “SME Platform of BSE”).

Each of the Selling Shareholders has, severally and not jointly, confirmed that it has held its respective portion of offered shares for a period of at least one year prior to the date of filing of this Draft Prospectus and that it is in compliance with the SEBI ICDR Regulations and are eligible for being offered in the Offer for sale.

As per Regulation 229(3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of BSE SME in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

- a) Our Company was incorporated on September 17, 2009, under the Companies Act, 1956 with the Registrar of Companies, Mumbai.
- b) As on the date of this Draft Prospectus, our Company has a total paid up capital of ₹ 1,998.78 Lakhs and the Post Issue Capital will be of ₹ 2,376.42 Lakhs comprising 2,37,64,200 Equity Shares which is below ₹ 25 crores.
- c) Our Company has a track record of three years as on date of filing of this Draft Prospectus.
- d) Our Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least 1 (one) financial years preceding the date of filing of this Draft Prospectus and the net worth of our Company is positive as per the latest audited financial statements. As per Restated Financial Statements, the cash accruals accounted for March 31, 2023 was ₹ 780.32 Lakhs.
- e) Our company has website: [www.shreni.in](http://www.shreni.in).
- f) We also confirm that our Company is in compliant with all of the conditions applicable for an entity registered as Stock Broker with the SEBI intending to list on BSE SME platform as under:
  - The Company has a net worth of ₹ 20.36 crores and ₹ 15.18 crores for financial year 2022-23 and 2021-22 respectively which is more than ₹ 15 crores with Profit before tax of ₹ 7.64 crores and 6.86 crores for financial year 2022-23 and 2021-22 respectively which is more than ₹ 5.00 crores in the last 2 years out of 3 Financial Years.
  - The Company has net tangible assets of 20.36 crores which is more than ₹ 3 crores as per Restated Financial Statement for financial year 2022-23.
  - The Company has a total paid up capital of 1,998.78 lakhs comprising 1,99,87,800 Equity Shares and the Post Issue Capital will be of ₹ 2,376.42 lakhs comprising 2,37,64,200 Equity Shares which is above ₹ 300 Lakhs.

## **Other Disclosures:**

1. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
2. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
3. There is no winding up petition against the company, which has been accepted by the National Company Law Tribunal (NCLT).
4. There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to BSE for listing on BSE SME.

5. Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.
6. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

1. The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE SME. BSE is the Designated Stock Exchange.
2. Our Company has entered into an agreement dated June 09, 2021 with NSDL and agreement dated December 23, 2020 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
3. The entire pre-Offer capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be offered pursuant to this IPO will be fully paid-up.
4. The entire Equity Shares held by the Promoters are in the dematerialization form.
5. Since the entire fund requirement are to be funded from the proceeds of the Offer, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Offer.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

1. Neither our Company nor our Promoters, Selling Shareholders, members of our Promoter Group or our Directors is debarred from accessing the capital markets by the SEBI.
2. None of our Promoters or Directors is Promoter or director of any other companies which are debarred from accessing the capital markets by the SEBI.
3. Neither our Company nor our Promoters or Directors is a wilful defaulter or a fraudulent borrower.
4. None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, in accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within four (4) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of fourth (4) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT**

**FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT AND THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE OFFER DOCUMENT IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF OFFERED SHARES, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.**

**Note:** All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of section 26, 28 and 30 of the Companies Act, 2013.

#### **DISCLAIMER FROM OUR COMPANY, SELLING SHAREHOLDERS AND THE LEAD MANAGER**

Our Company, the Selling Shareholders and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.shreni.in](http://www.shreni.in) or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Lead Manager accept no responsibility, save to the limited extent as provided in the Offer Agreement, Underwriting Agreement to be entered into between the Underwriter, our Company and Selling Shareholders and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company, the Selling Shareholders and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports or at collection centres etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company, the Selling Shareholders and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Aryaman Financial Services Limited is not an associate of the Company and is eligible to be appointed as the Lead Manager in this Offer, under SEBI MB Regulations.

Investors who apply in this Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Selling Shareholders and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Neither our Company, the Selling Shareholders nor Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-

compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Further, the selling shareholders will be severally responsible for the respective statements confirmed or undertaken by it in this Draft Prospectus in relation to itself and its respective portion of the offered shares.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Offer is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company and Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE OF THE BSE**

As required, a copy of the Draft Prospectus shall be submitted to the BSE SME. The Disclaimer Clause as intimated by the BSE SME to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **LISTING**

Application have been made to BSE SME for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its BSE SME after the allotment in the Offer. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

Our company has obtained In-principal approval from BSE vide letter dated [●] to use name of BSE in the Prospectus for listing of equity shares on BSE SME.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE SME, the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus in accordance with applicable law and the Selling Shareholders will be liable to reimburse our Company for any such repayment of monies, on its behalf, with respect to their Offered Shares. If such money is not repaid within the prescribed

time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds will be reimbursed by such Selling Shareholder in proportion to its respective portion of the Offered Shares. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such delay has been caused by any act or omission solely and directly attributable to such Selling Shareholder and in any other case the Company shall take on the responsibility to pay interest. It is clarified that such liability of a Selling Shareholder shall be limited to the extent of its respective portion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange are taken within six Working Days from the Offer Closing Date or within such other period as may be prescribed. The Selling Shareholders confirm that it shall extend complete co-operation required by our Company and the LM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange within six Working Days from the Offer Closing Date, or within such other period as may be prescribed. If our Company does not Allot the Equity Shares within six Working Days from the Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be unblocked, without interest, failing which interest shall be due to be paid to the Applicants at the rate of 15% per annum for the delayed period, subject to applicable law.

## **CONSENTS**

Consents in writing of: (a) The Directors, Promoters, Selling Shareholders, the Chief Financial Officer, Chief Executive Officer, Company Secretary & Compliance Officer, the Statutory Auditors and (b) the Lead Manager, Registrar to the Offer, the Legal Advisors to the Offer, Bankers to the Offer<sup>(1)</sup>, Bankers to the company, Share Escrow Agent<sup>(1)</sup>, Market Maker<sup>(1)</sup> and Underwriter<sup>(1)</sup> to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 and 28 of the Companies Act, 2013.

<sup>(1)</sup> *The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, M/s J.D. Shah Associates, Chartered Accountants, have provided their written consent to the inclusion of their reports dated June 13, 2023 on Restated Financial Statements and to the inclusion of their reports dated June 13, 2023 on Statement of Possible Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

## **EXPERT OPINION**

Except the report of the Statutory Auditor on statement of possible tax benefits and report on Restated Financial Statements for the financial years ended March 31, 2023, 2022 and 2021 as included in this Draft Prospectus, our Company has not obtained any expert opinion.

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

## **PREVIOUS PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE YEARS**

Except as disclosed in the chapter “*Capital Structure*” on page no. 56 of this Draft Prospectus, we have not made any rights issue and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

## **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

### **CAPITAL OFFERS DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY**

Except as disclosed in Chapter titled “*Capital Structure*” on page 56 of this Draft Prospectus, our Company has not made any capital offer during the previous three years.

We do not have any listed Group Company or Subsidiary or Associate as on date of this Draft Prospectus.

### **PERFORMANCE VIS-À-VIS OBJECTS**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 56 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI ICDR Regulations and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

We do not have any listed Group Company or Subsidiary or Associate as on date of this Draft Prospectus.

### **OUTSTANDING DEBENTURES OR BONDS OR COMMERCIAL PAPERS**

There are no outstanding debentures or bonds of our Company as of the date of filing this Draft Prospectus. For details of the debentures issued by our Company as of the date of filing this Draft Prospectus, please see the section entitled “*Financial Indebtedness*” on page 169.

### **OUTSTANDING PREFERENCE SHARES OR CONVERTIBLE INSTRUMENTS ISSUED BY OUR COMPANY**

Our Company does not have any outstanding preference shares or convertible instruments as of the date of filing this Draft Prospectus.

**PRICE INFORMATION OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

Sr. No.	Issue Name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	HMA Agro Industries Limited	480.00	585.00	04-07-23	615	NA	NA	NA
2.	CFF Fluid Control Limited	85.80	165.00	12-06-23	175	61.79%	4.26%	NA
3.	Command Polymers Limited	7.08	28.00	29-03-23	26.75	(3.75%)	5.44%	(4.64%)
4.	Rex Sealing and Packing Industries Limited	8.08	135.00	12-01-23	137.00	15.52%	1.21%	5.04%
5.	Abans Holding Limited	345.60	270.00	23-12-22	270.00	(0.35%)	1.30%	(12.35%)
6.	EP Biocomposites Limited	6.35	126.00	13-09-22	160.25	100.40%	(5.51%)	36.51%
7.	Rhetan TMT Limited	56.00	70.00	05-09-22	70.00	75.50%	(1.99%)	306.93%
8.	Modi's Navnirman Limited	22.68	180.00	06-07-22	189.00	75.00%	8.63%	85.83%
9.	SP Refractories Limited	4.92	90.00	22-03-22	90.20	(11.11%)	0.45%	(8.89%)
10.	Fabino Life Sciences Limited	3.24	36.00	13-01-22	38.45	(1.53%)	(5.03%)	(27.78%)

### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24	2	565.80	0	0	0	1	0	0	0	0	0	0	0	0
2022-23	6	445.79	0	0	2	3	0	1	0	0	1	3	0	1
2021-22	7	74.60	0	0	2	0	1	4	0	1	1	1	1	3

#### Notes:

(1) Since the listing date of HMA Agro Industries Limited was on July 04, 2023, information related to closing price and benchmark index as on the 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> calendar day from the listing date is not applicable.

(2) Since the listing date of CFF Fluid Control Limited was on June 12, 2023, information related to closing price and benchmark index as on the 90<sup>th</sup> and 180<sup>th</sup> calendar day from the listing date is not applicable.

(3) Since the listing date of Command Polymers Limited was on March 29, 2023, information related to closing price and benchmark index as on the 180<sup>th</sup> calendar day from the listing date is not applicable.

(4) As on the 180<sup>th</sup> calendar day from the listing day, the price of Modi's Navnirman Limited would have been ₹ 548.40, considering the corporate announcement i.e Bonus issue in the ratio 3:1. Actual price as on 180<sup>th</sup> calendar day is ₹137.10.

(5) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.

(6) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

(7) Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) BSE Sensex and Nifty Fifty as the Benchmark Indices.

## TRACK RECORD OF PAST ISSUES HANDLED BY LEAD MANAGER

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.afsl.co.in](http://www.afsl.co.in).

## STOCK MARKET DATA OF EQUITY SHARES

This being an initial public Offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Company and the Selling Shareholders has appointed Bigshare Services Private Limited as the Registrar to the Offer, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Offer will handle investor's grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company will obtain authentication on the SCORES and will comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 and any amendment thereto, in relation to redressal of investor grievances through SCORES, prior to filing the Prospectus.

Our Board by a resolution on June 02, 2023 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

Name of the Directors	Nature of Directorship	Designation in Committee
Vikash Kumar Jain	Non-Executive Independent Director	Chairman
Arpit Shah	Non-Executive Independent Director	Member
Hitesh Natvarlal Punjani	Executive Director	Member

For further details, please see the chapter titled "*Our Management*" beginning on page no 113 of this Draft Prospectus. Our Company has also appointed Varsha Sharma, as the Compliance Officer for the Issue and she may be contacted at the Registered Office of our Company.

### Varsha Sharma

Office No. 102, 1st Floor Sea Lord CHSL,  
1/A,1/B, Ram Nagar, Borivali (West)- 400092  
Mumbai, Maharashtra, India  
**Tel:** 022 – 2808 8456  
**Email id:** investor@shreni.in

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre Issue or post Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have received one (1) investor compliant during the three years preceding the date of this Draft Prospectus and the same is resolved hence there are no pending investor complaints as on the date of this Draft Prospectus.

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

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

## SECTION X – OFFER INFORMATION

### TERMS OF THE OFFER

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum and Articles of Association, SEBI LODR Regulations, the terms of the Draft Prospectus/ Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the BSE (SME Platform), the RBI, ROC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Offer.*

*Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified though its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.*

*Further vide the said circular Registrar to the Offer and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Offer and Depository Participants as and when the same is made available.*

### AUTHORITY FOR THE OFFER

The present Public offer of upto 62,94,000 equity shares includes a Fresh issue upto 37,76,400 Equity shares and an Offer for Sale by the Selling Shareholders up to 25,17,600 equity shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on May 30, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on June 02, 2023 in accordance with the provisions of Sections 28, 62(1)(c) other applicable provisions, if any, of the Companies Act, 2013.

The Offer for Sale has been authorized by the Selling Shareholders by their consent letter dated June 07, 2023

Name of the Selling Shareholders	Type	No of Equity Shares offered
Mr. Hitesh Natvarlal Punjani	Promoter	Up to 12,00,000
Ms. Nidhi Shah	Promoter Group	Up to 13,17,600

### RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum of Associations and Articles of Association shall rank pari passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “*Main Provisions of the Articles of Association*” beginning on page 223 of this Draft Prospectus.

## **MODE OF PAYMENT OF DIVIDEND**

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI LODR Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment will be payable to the Applicants who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” beginning on page 131 and 223, respectively of this Draft Prospectus.

## **FACE VALUE AND OFFER PRICE**

The Equity Shares having a face value of ₹10.00 each are being issued in terms of this Draft Prospectus at the price of ₹ [●] per Equity Share. The Offer Price is determined by our Company and the Selling Shareholders in consultation with the Lead Manager and is justified under the chapter titled “*Basis for Offer Price*” beginning on page 78 of this Draft Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## **COMPLIANCE WITH SEBI (ICDR) REGULATIONS, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;
2. Right to receive annual Reports and notices to members;
3. Right to attend general meetings and exercise voting rights, unless prohibited by law;
4. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
5. Right to receive offers for rights shares and be allotted bonus shares, if announced;
6. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
7. Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
8. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Main Provisions of the Articles of Association*” beginning on page 223 of this Draft Prospectus.

## **ALLOTMENT ONLY IN DEMATERIALISED FORM**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite agreement dated June 09, 2021 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated December 23, 2020 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

The Company’s shares bear ISIN: INE0G1R01014

## **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE (SME Platform of BSE) from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than One Lakh) per application.

## **MINIMUM NUMBER OF ALLOTTEES**

In accordance with Regulation 268 (1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within four (4) Working days of closure of Issue.

## **JOINT HOLDERS**

Where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

## **JURISDICTION**

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## **NOMINATION FACILITY TO INVESTORS**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or
2. to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may

thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

## OFFER PROGRAM

Offer Opens on	[●]
Offer Closes on	[●]

An indicative timetable in respect of the Offer is set out below:

Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Refunds / unblocking of funds from ASBA Account*	On or before [●]
Credit of Equity Shares to demat account of the Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or before [●]

*\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchange Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Offer Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. The Applicant shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

In terms of Regulation 265 of SEBI ICDR Regulations, the Offer shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.

In terms of Regulation 266 (3) of SEBI ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Offer Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the provisions of Regulation 266(1).

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

Whilst our Company and Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Promoter confirms that it shall extend such reasonable

support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within Six Working Days from the Offer Closing Date or such other period as may be prescribed by SEBI.

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

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

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Investors can revise or withdraw their Applications prior to the Offer Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSB or the member of the Syndicate for rectified data.

## MINIMUM SUBSCRIPTION

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten per Regulation 260(1) of SEBI ICDR Regulations.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Offer through the Offer Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within 15 days from the closure of the offer, if there is a delay beyond such time, our Company and Selling Shareholders and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and applicable laws.

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Offer and the monies blocked by the SCSBs shall be unblocked within four (4) working days of closure of Offer.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Offer through this Draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the application law of such jurisdiction.

## **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No.CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

## **APPLICATION BY ELIGIBLE NRIS, FPIs OR VCFS REGISTERED WITH SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## **WITHDRAWAL OF THE OFFER**

Our Company and Selling Shareholders in consultation with the Lead Manager, reserve the right to not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Lead Manager through, the Registrar to the Offer, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBAAplicants within one (1) working day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Offer is withdrawn after the designatedDate, amounts that have been credited to the Public Offer Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is filed with the ROC. If our Company withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an Offer, our Company shall file a fresh Prospectus.

## **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

The lock-in of the pre- offer capital of our Company as provided in “*Capital Structure*” beginning on page 56 of this Draft Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of the Articles of Association*” beginning on page 223 of this Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company, Selling Shareholders and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, Selling Shareholders and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## **NEW FINANCIAL INSTRUMENTS**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Offer. Further, our Company is not issuing any new financial instruments through this Offer

## **AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS OFFER**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by

the Government of India/RBI while granting such approvals.

### **MIGRATION TO MAIN BOARD**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above ₹25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in- principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid-up Capital of the company is more than ₹10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **MARKET MAKING**

The shares issued through this issue are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Lead Manager to this issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME Platform of BSE.

For further details of the agreement entered into between the Company and Selling Shareholders, the Lead Manager and the Market Maker please refer to section titled “General Information - Details of the Market Making Arrangements for this issue” on page 47 of this Draft Prospectus.

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital does not exceed twenty-five crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Offer, please see the chapters titled "*Terms of the Offer*" and "*Offer Procedure*" beginning on pages 190 and 200 respectively of this Draft Prospectus.

Initial Public Offering of upto 62,94,000 equity shares of face value of ₹ 10.00 each ("Equity Shares") of Shreni Shares Limited ("Company" or "Issuer"), at an Offer Price of ₹ [•] per Equity Share for cash, aggregating to ₹ [•] Lakhs comprising of a Fresh Issue of upto 37,76,400 Equity Shares aggregating ₹ [•] Lakhs and an Offer for Sale of upto 25,17,600 Equity Shares aggregating to ₹ [•] Lakhs by Selling Shareholders.

The Offer comprises a reservation of up to 3,18,000 Equity Shares of face value of ₹10.00 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Offer to Public of up to 59,76,000 Equity Shares of face value of ₹10.00 each ("the Net Offer"). The Offer and the Net Offer will constitute 26.49 % and 25.14%, respectively of the post Offer paid-up equity share capital of the Company. The Offer is being made through the Fixed Price Process.

<b>Particulars of the Offer</b>	<b>Net Offer to Public*</b>	<b>Market Maker Reservation Portion</b>
Number of Equity Shares	Upto 59,76,000 Equity Shares	Upto 3,18,000 Equity Shares
Percentage of Offer Size available for allocation	94.95% of the Offer Size	5.05 % of the Offer Size
Basis of Allotment/ Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of [•] Equity Shares and further allotment in multiples of [•] Equity Shares each.  For further details please refer to the " <i>Basis of Allotment</i> " under Section " <i>Offer Procedure</i> " on page 200 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Individual Investors using Syndicate ASBA)	
Mode of Allotment	Compulsorily in dematerialised form.	
Minimum Application Size	<b><u>For Other than Retail Individual Investors:</u></b>  Such number of Equity Shares in multiples of [•] Equity Shares such that the Application Value exceeds ₹ 2,00,000/-.  <b><u>For Retail Individuals Investors:</u></b>  [•] Equity Shares at Offer prices of ₹ [•] each.	3,18,000 Equity Shares
Maximum Application Size	<b><u>For Other than Retail Individual Investors:</u></b>  For all other investors, the maximum application size is the Net Offer to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.  <b><u>For Retail Individuals Investors:</u></b>  Such number of Equity Shares in multiples of [•] Equity Shares such that the application value does not exceed ₹ 2,00,000.	3,18,000 Equity Shares

<b>Who can Apply**</b>	<i>For Other than Retail Individual Investors:</i>  Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions societies and trusts.  <i>For Retail Individuals Investors:</i>  Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.	Market Maker
<b>Trading Lot</b>	<input checked="" type="checkbox"/> Equity Shares	<input checked="" type="checkbox"/> Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations.
<b>Terms of Payment***</b>	The entire Application Amount will be payable at the time of submission of the Application Form.	
<b>Application Lot Size</b>	<input checked="" type="checkbox"/> Equity Share and in multiples of <input checked="" type="checkbox"/> Equity Shares thereafter	

*\*Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 (2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:*

- a) *Minimum fifty per cent to retail individual investors; and*
- b) *Remaining to:*
  - (i) *individual applicants other than retail individual investors; and*
  - (ii) *other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*

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

*Explanation: If the retail individual investor category is entitled to more than fifty per cent of the offer size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.*

*For further information on the Allocation of Net Offer to Public, please refer to chapter titled “The Offer” on page no. 42 of this Draft Prospectus.*

*\*\*In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.*

*\*\*\*In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including Retail Individual Investors applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.*

## OFFER PROGRAMME

<b>OFFER OPENING DATE</b>	<input checked="" type="checkbox"/>
<b>OFFER CLOSING DATE</b>	<input checked="" type="checkbox"/>

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Application Centres mentioned in the Application Form. On the Offer Closing Date applications will be accepted only between 10.00 a.m. to 4.00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Offer Closing Date, Applicants are advised to submit their applications one day prior to the Offer Closing Date and, in any case, not later than 1.00 p.m. IST on the Offer Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Offer Closing Date, as is typically experienced in public Issues, some

applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

#### **Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Issue proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

<b>Offer Price (in ₹)</b>	<b>Lot Size (No. of shares)</b>
Upto 14	10,000
More than 14 upto 18	8,000
More than 18 upto 25	6,000
More than 25 upto 35	4,000
More than 35 upto 50	3,000
More than 50 upto 70	2,000
More than 70 upto 90	1,600
More than 90 upto 120	1,200
More than 120 upto 150	1,000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading. At the Initial Public Offering stage if the price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into. For example: if the proposed price band is at 24-28 than the Lot size shall be [●] shares.

## OFFER PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issue (“GID”) prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 & UPI Circulars which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the website of Stock Exchange(s), the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum application size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) price discovery and allocation; (vii) General Instructions (limited to instructions for completing the Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of application Form; (xi) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using UPI and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days (“**UPI Phase I**”). The same was applicable until June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Further pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIIs (“**UPI Phase III**”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 01, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of the Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. If the Offer is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper, all editions of the Hindi national daily newspaper, regional edition of the regional daily newspaper on or prior to the Offer Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their website. Subsequently, pursuant to SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Offer Closing Date, the Applicant shall be compensated as per the UPI Circulars for the entire duration of delay exceeding Four (4) Working Days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company, Selling Shareholders and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Further, the Company, Selling Shareholders and the Lead Manager are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Offer.

### **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**

SEBI has issued UPI Circulars in relation to streamlining the process of public Offer of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public Offer closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Investor would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Offer closure to listing would continue to be six working days.

**Phase II:** This phase commenced on completion of Phase I, i.e., with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public offer closure to listing would continue to be six working days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public Offer closure to listing is proposed to be reduced to three working days.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful applicants to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-offer LM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Offer Opening Date. All SCSBs offering facility of making application in public Offers shall also provide facility to make application using UPI.

Our Company and the Selling Shareholders will be required to appoint one or more of the SCSBs as a Sponsor Bank(s) to act as a conduit between the Stock Exchange and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Investors.

The processing fees may be released to the remitter banks (SCSBs) only after an application is made by the SCSBs to the LM with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with April 20, 2022 Circular.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

#### **FIXED PRICE OFFER PROCEDURE**

The Offer is being made in compliance with the provisions of Chapter IX of SEBI ICDR Regulations through a Fixed Price Process wherein 50% of the Net Offer is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Offer Price.

Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Offer Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Investors shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

#### **AVAILABILITY OF DRAFT PROSPECTUS, PROSPECTUS AND APPLICATION FORMS**

Copies of the Application Form and the Abridged Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Offer Opening Date.

All Applicants (other than Applicants using the UPI mechanism) shall mandatorily participate in the Offer only through the ASBA process. ASBA Applicants (other than Applicants using the UPI mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Investors may participate in the Offer through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA)	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)	Blue*

\*Excluding Electronic Application Form.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

For RIIs using UPI mechanism, the Stock Exchanges shall share the application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Banker to the Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Offer. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Offer, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”):

An SCSB, with whom the bank account to be blocked, is maintained

A syndicate member (or sub-syndicate member)

A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')

A Depository Participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

A Registrar to an Offer and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSBs:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
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<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stockexchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuousbasis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of fundsthrough NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### **Who Can Apply?**

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

### **MAXIMUM AND MINIMUM APPLICATION SIZE**

#### **For Retail Individual Investors**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

#### **For Other than Retail Individual Investors (Non-Institutional Investors and QIBs)**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI ICDR Regulations, a QIB Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Investors, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTERS, PROMOTER GROUP AND PERSONS RELATED TO PROMOTERS/ PROMOTER GROUP**

The Lead Manager shall not be entitled to subscribe to this Offer in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Offer, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. The Promoters, the Selling Shareholders, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Offer.

#### **APPLICATIONS BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company and the Selling Shareholders in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with 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 the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

#### **APPLICATIONS BY HUFS**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

#### **APPLICATIONS BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Non -Debt Instruments Rules. Only Applications accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

For further details, see “Restrictions on Foreign Ownership of Indian Securities” on page 221 of this Draft Prospectus.

### **APPLICATIONS BY FPIs AND FIIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid -up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non -Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of a II registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid -up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a

person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company and Selling Shareholders reserves the right to reject any application without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for Offer procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may Offer, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is offered overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are offered only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are offered only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are offered after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants offered that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- a. each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- b. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer is advised to use the Application Form for non-residents.

Further, Applications received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Applications from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations(such structure “MIM Structure”) provided such application have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple application received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid application, FPIs making multiple applications using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected.

### **APPLICATIONS BY SEBI REGISTERED AIF, VCF AND FVCI**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company, Selling Shareholders or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company and Selling Shareholders in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our company and selling shareholders in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

Equity shares of a company: the lower of 10%(1) of the investee company’s outstanding equity shares (face value) or

10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;

The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

*<sup>(1)</sup> The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars Issued by the IRDA from time to time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

#### **APPLICATIONS BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company and selling shareholders reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company and selling shareholders consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (“Banking Regulation Act”), and the Reserve Bank of India (“Financial Services provided by Banks”) Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks ‘interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company’s paid-up share capital and reserves.

#### **APPLICATIONS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company and selling shareholders in consultation with the LM, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

## APPLICATIONS BY SCSBS

SCSBS participating in the Offer is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public Offers and clear demarcated funds should be available in such account for such applications.

The information set out above is given for the benefit of the Applicants. Our Company, Selling Shareholders and the LM are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Draft Prospectus and the Prospectus.

## APPLICATION UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 Cr (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 Cr (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company and Selling Shareholders in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company and Selling Shareholders in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

## OFFER PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)

**Applicants in accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

## INFORMATION FOR THE APPLICANTS

In addition to the instructions provided to the Applicants in the General Information Document for Investing in Public Offer, Applicants are requested to note the following additional information in relation to the Offer.

1. The Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Offer Period may be extended, if required, by an additional three Working Days, subject to the total Offer Period not exceeding 10 Working Days.
2. The relevant Designated Intermediary will enter each Application into the electronic applying system as a separate Application and generate an acknowledgement slip ("Acknowledgement Slip"), for each price and demand option and give the same to the Applicant. Therefore, an Applicant can receive upto three Acknowledgement Slips for each Application Form. It is the Applicant's responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When an Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.

3. In relation to electronic registration of Applications, the permission given by the Stock Exchange to use their network and software of the electronic applying system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
4. In the event of an upward revision in the Price, Retail Individual Applicants could either (i) revise their Application or (ii) shall make additional payment based on the revised Price (such that the total amount i.e., original Application Amount plus additional payment does not exceed ₹ 200,000. The revised Applications must be submitted to the same Designated Intermediary to whom the original Application was submitted. If the total amount (i.e., the original Application Amount plus additional payment) exceeds ₹ 200,000, the Applicant will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Applicant does not either revise the Application or make additional payment the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Applicant and the Retail Individual Applicant is deemed to have approved such revised Application.
5. In the event of a downward revision in the Price, Retail Individual Applicant may revise their Application; otherwise, the excess amount paid at the time of Application would be unblocked after Allotment is finalised.
6. Any revision of the Application shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Application.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

#### **TERMS OF PAYMENT**

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Applicants.

#### **PAYMENT MECHANISM**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Individual Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - (a) Name of the Applicant;
  - (b) IPO Name;
  - (c) Application Form Number;
  - (d) Investor Category;
  - (e) PAN (of First Applicant, if more than one Applicant);
  - (f) DP ID of the demat account of the Applicant;
  - (g) Client Identification Number of the demat account of the Applicant;
  - (h) Number of Equity Shares Applied for;
  - (i) Bank Account details;
  - (j) Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - (k) Bank account number
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Individual Investors and Retail Individual Investors, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject

applications, except on technical grounds.

12. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **SIGNING OF UNDERWRITING AGREEMENT**

Our company and Selling Shareholders have entered into an Underwriting Agreement dated [●].

#### **FILING OF PROSPECTUS WITH ROC**

A copy of Prospectus will be filed with the ROC in terms of Section 26 and 28 of The Companies Act, 2013.

#### **ISSUANCE OF ALLOTMENT ADVICE IN THE OFFER**

Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Offer shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Offer.

On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer. The Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

#### **GENERAL INSTRUCTIONS**

##### **Do's:**

1. Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their applications through the ASBA process only;
2. Ensure that you have apply within the Price Band
3. Read all the instructions carefully and complete the Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Investors using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;
6. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number and such ASBA account belongs to you and no one else if you are not an RII using the UPI Mechanism in the Application Form (with maximum length of 45 characters) and if you are an RII using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Application Form;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSCB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Offer. Retail Individual Investors using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the Application Amount are available for blocking, is UPI 2.0 certified by NPCI;
8. If the first applicant is not the bank account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form (for all Applicants other than Retail Individual Investors, bidding using the UPI Mechanism);
9. All Applicants should submit their Applications through the ASBA process only;
10. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
11. Retail Individual Investors submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Application is listed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in);
12. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement of your Application;
14. Retail Individual Investors using the UPI mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
15. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
16. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
17. Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

20. Ensure that the correct investor category and the investor status is indicated in the Application Form;
21. Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Offer;
24. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
25. Applicants, other than Retail Individual Investors using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
26. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
27. In case of ASBA Applicants (other than Retail Individual Investors using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
28. Once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
29. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
30. Retail Individual Investors who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in the Retail Individual Investors ASBA Account.
31. Retail Individual Investors using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
32. Retail Individual Investors applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
33. Retail Individual Investors using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;

34. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
35. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
36. Retail Individual Investors shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Offer Closing Date.
37. The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
38. UPI Applicants using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Applicants shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not apply by another Application Form after submission of Application to the Designated Intermediary.
4. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
5. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not submit the Application Forms to any non-SCSB bank or our Company;
7. Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not submit more than one Application Forms per ASBA Account;
10. Do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
11. Do not apply for an Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Investors);
12. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
15. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
16. If you are a Retail Individual Investor and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
17. If you are a Retail Individual Investor and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
18. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in

a colour prescribed for another category of Applicant;

19. Do not submit an application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
20. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
21. Do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise their applications during the Offer Period and withdraw their Applications on or before the Offer Closing Date;
22. Do not apply for shares more than specified by respective Stock Exchanges for each category;
23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Individual Investor using the UPI mechanism;
24. Do not submit incorrect UPI ID details, if you are a Retail Individual Investors applying through UPI Mechanism;
25. If you are a Non-Institutional Investor or Retail Individual Investor, do not submit your application after 3.00 p.m. on the Offer Closing Date;
26. Do not apply if you are an OCB.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For helpline details of the Lead Manager pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Lead Manager to the Offer*” on page 47 of this Draft Prospectus.

## **GROUNDS FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. Applications submitted on a plain paper;
4. Applications submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
5. Applications submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID;
6. Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” on page 166 of this Draft Prospectus;
7. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Application submitted without the signature of the First Applicant or sole Applicants;
9. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July29, 2010;
10. GIR number furnished instead of PAN;

11. Application by Retail Individual Investors with Application Amount for a value of more than ₹ 200,000
12. Applications by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;
14. Applications accompanied by stock invest, money order, postal order or cash;
15. Application by OCB.
16. Applications uploaded by QIBs after 4.00 p.m. on the QIB Issue Closing Date and by Non-Institutional Applicants uploaded after 4.00 p.m. on the Issue Closing Date, and Applications by Retail Individual Applicants uploaded after 5.00 p.m. on the Issue Closing Date, unless extended by the Stock Exchanges; and

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

For details of instruction in relation to the Application Form, please refer to the General Information Document and UPICirculars.

#### **Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

#### **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

#### **Names of entities responsible for finalizing the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the LM and the Registrar to the Issue, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME**

Our Company will not make any Allotment in excess of the Equity Shares through the Offer Document except in case of over-subscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon over-subscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Applicants shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Applicants shall not be less than the minimum Application lot, subject to the availability of shares in Retail Individual Applicants portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

## **PRE -ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

## **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

In addition to the instructions for completing the Application Form provided in the sub-section “General Information Document for Investing in Public Offers – Applying in the Offer – Instructions for filing the Application Form / Application Form” Applicants are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Applications must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Applications must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and in the Application Form.
3. Applications on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

## **INVESTOR GRIEVANCE**

In case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “General Information” on page 47 of this Draft Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Offer Closing Date, the Applicant shall be compensated as per the UPI Circulars by the intermediary responsible for causing such delay in unblocking. The LM shall, in their solediscretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

## **IMPERSONATION**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act,which is reproduced below:**

*“Any person who:*

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- makes or abets making of multiple applications to a company in different names or in different combinations of hisname or surname for acquiring or subscribing for its securities; or*
- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount.

## **SIGNING OF UNDERWRITING AGREEMENT AND ROC FILING**

- a) Our Company, the Lead Manager and the Market Maker have entered into an Underwriting Agreement on [●].

- b) For terms of the Underwriting Agreement please see chapter titled “General Information” beginning on page no. 47 of this Draft Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

1. That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six working days of the Offer Closing Date or within such other time period prescribed by SEBI will be taken;
3. That the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
4. If Allotment is not made within six working days from the Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
5. That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
6. That if our Company and Selling Shareholders do not proceed with the Offer after the Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
7. That if our Company and Selling Shareholders withdraw the Offer after the Offer Closing Date, our Company shall be required to file a fresh issue document with Stock Exchange, in the event our Company or subsequently decide to proceed with the Offer;
8. That the adequate arrangements shall be made to collect all Application Forms from Applicants.
9. No further Offer of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
10. That the Promoters’ contribution in full, wherever required, shall be brought in advance before the Offer opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public.

## **UNDERTAKINGS BY THE SELLING SHAREHOLDERS**

Each Selling Shareholder undertakes, severally and not jointly, in respect of itself as a selling shareholder and Its respective portion of its Offered Shares that:

1. the Offered Shares are eligible for being offered in the Offer for Sale in terms of the SEBI ICDR Regulations;
2. it is the legal and beneficial owner of the Offered Shares and the Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;
3. it shall deposit its respective portion of the Offered Shares in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

4. it shall provide such reasonable assistance to our Company and the LM in redressal of such investor grievances that pertain to its respective portion of the Offered Shares;
5. it shall provide such reasonable cooperation to our Company in relation to its respective portion of the Offered Shares for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange; and
6. it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchange has been received.
7. that they shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Applicants for making an Applications in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes an Applications in the Offer except as permitted under applicable law.
8. that they shall not offer, lend, pledge, create lien, charge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Issue.

#### **UTILISATION OF NET PROCEEDS**

Our Board certifies that:

1. all monies received out of the Fresh Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilised out of the Fresh Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Offer proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. details of all unutilised monies out of the Fresh Offer, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (“**DPIIT**”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DPIIT also issues the Consolidated Foreign Direct Investment Policy (“**FDI Policy**”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DPIIT with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT till October 15, 2020. All the press notes, press releases, clarifications on FDI issued by DPIIT till October 15, 2020 stand rescinded as on October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

The FDI Policy issued by the DPIIT permits foreign investment upto 100% of paid-up equity share capital of non-banking financial companies under the automatic route subject to compliance of certain conditions mentioned in the FDI Policy. The Company will be required to make certain filings with the RBI after the completion of the Issue.

In accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Further, the existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% of the total paid-up Equity Share capital of our Company for each FPI and the total holdings of all FPIs in the Company shall not exceed 24% of the total paid-up Equity Share capital of our Company. The RBI, in exercise of its power under the FEMA, has also notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**Rules**”) and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of less than 10% of the total paid-up equity capital on a fully diluted basis of the Company subject to the total holdings of all FPIs/sub accounts including any other direct and indirect foreign investments in the Company shall not exceed 24% of the paid-up equity capital of the Company on a fully diluted basis. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Company concerned by passing of resolution by the Board of the Company to that effect and by passing of a special resolution to that effect by its Shareholders. With effect from April 1, 2020, the aggregate limit of 24% has increased to the sectoral cap applicable to the Indian Company which in case of the Company is 100% provided that the Company complies with conditions provided under the FDI Policy. As per the Rules, the aggregate limit as provided above was permitted to be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before March 31, 2020. The Company has passed no such Board Resolution and hence, has not revised its sectoral caps. Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% of the total paid-up equity capital on a fully diluted basis of the Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the shareholders of the Company. The Company has passed no such shareholders’ resolution.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DPIIT / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions

of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Bidders. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.**

## SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.*

Sr. No	Particulars	
1.	The Regulations contained in Table 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Regulations or by the said act. The regulations for the management of the Company and for the observance of the members thereto and their representatives shall, subject to the exercise of the Statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the said act, be such as are contained in these regulations.	<b>Table F Applicability.</b>
	<b>Interpretation Clause</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act", "the Companies Act" or "the said Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof.	<b>Act</b>
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) "The Company" shall mean <b>SHRENI SHARES LIMITED</b>	
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>
	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	# The name of the Company was changed to Shreni Shares Limited pursuant to conversion of private company to public company and adoption of new set of articles of association vide special resolution passed by the members at their Extraordinary General Meeting of the company held on 11.05.2023. Earlier set of Articles of Association appended after these revised Articles.	
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>

Sr. No	Particulars	
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(w) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>
	(x) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(y) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(z) "Year" means the calendar year reckoned according to the British calendar (also called Gregorian calendar) and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	(aa) Any reference to the words "in writing" or "written" includes printing, typing, lithography and other means of reproducing words in visible form.	<b>in writing or written</b>
	(ab) Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
3.	(a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital</b>
4.	<p>The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.</p> <p>Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.</p>	<b>Increase of capital by the Company how carried into effect</b>
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject	<b>Non-Voting Shares</b>

Sr. No	Particulars	
	however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
9.	<p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:</p> <p>(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;</p> <p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	<b>Provisions to apply on issue of Redeemable Preference Shares</b>
10.	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	<b>Term of issue of Debentures</b>
12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.	<b>Issue of Sweat Equity Shares</b>

<b>Sr. No</b>	<b>Particulars</b>	
<b>13.</b>	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	<b>ESOP</b>
<b>14.</b>	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	<b>Buy Back of shares</b>
<b>15.</b>	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subjected nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	<b>Consolidation, Sub-Division And Cancellation</b>
<b>16.</b>	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
<b>17.</b>	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
<b>18.</b>	<p>1. Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares then:</p> <p>(a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date;</p> <p>(b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;</p> <p>(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) shall contain a statement of this right;</p> <p>(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company.</p> <p>2. Notwithstanding anything contained in sub clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.</p> <p>(a) If a special resolution to that effect is passed by the company in general meeting, or</p>	<b>Further issue of shares</b>

Sr. No	Particulars	
	<p>(b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.</p> <p>3. Nothing in sub-clause (c) of (1) hereof shall be deemed:</p> <p>(a) To extend the time within which the offer should be accepted; or</p> <p>(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation</p> <p>4. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company:</p> <p>(i) To convert such debentures or loans into shares in the company; or</p> <p>(ii) To subscribe for shares in the company</p> <p>PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:</p> <p>(a) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and</p> <p>(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of the loans.</p>	
	<b>MODIFICATION OF CLASS RIGHTS</b>	
19.	<p>(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.</p> <p>Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.</p>	<b>Modification of rights</b>
	<p>(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari-passu therewith.</p>	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
20.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the	<b>Shares at the disposal of the Directors.</b>

Sr. No	Particulars	
	same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	
21.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
22.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
23.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
24.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	<b>Directors may allot shares as fully paid-up</b>
25.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc.to be a debt payable immediately.</b>
26.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
27.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
	<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>	
28.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	<b>CERTIFICATES</b>	
29.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of	<b>Share Certificates.</b>

Sr. No	Particulars	
	<p>allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
30.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<b>Issue of new certificates in place of those defaced, lost or destroyed.</b>
31.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company	<b>The first named joint holder deemed Sole holder.</b>

<b>Sr. No</b>	<b>Particulars</b>	
	except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	<b>Maximum number of joint holders.</b>
<b>32.</b>	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>
<b>33.</b>	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	<b>Installment on shares to be duly paid.</b>
<b>UNDERWRITING AND BROKERAGE</b>		
<b>34.</b>	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
<b>35.</b>	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
<b>CALLS</b>		
<b>36.</b>	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	<b>Directors may make calls</b>
<b>37.</b>	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
<b>38.</b>	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
<b>39.</b>	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
<b>40.</b>	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which	<b>Directors may extend time.</b>

Sr. No	Particulars	
	the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	
41.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
42.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
43.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Proof on trial of suit for money due on shares.</b>
44.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
45.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<b>Payments in Anticipation of calls may carry interest</b>
	<b>LIEN</b>	

Sr. No	Particulars	
46.	<p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p> <p>Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.</p>	<b>Company to have Lien on shares.</b>
47.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	<b>As to enforcing lien by sale.</b>
48.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	<b>Application of proceeds of sale.</b>
<b>FORFEITURE AND SURRENDER OF SHARES</b>		
49.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice may be given.</b>
50.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which	<b>Terms of notice.</b>

<b>Sr. No</b>	<b>Particulars</b>	
	such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	
<b>51.</b>	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
<b>52.</b>	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
<b>53.</b>	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and may be sold etc.</b>
<b>54.</b>	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>
<b>55.</b>	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
<b>56.</b>	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	<b>Evidence of Forfeiture.</b>
<b>57.</b>	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
<b>58.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
<b>59.</b>	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>

<b>Sr. No</b>	<b>Particulars</b>	
<b>60.</b>	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	<b>Validity of sale</b>
<b>61.</b>	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
<b>62.</b>	(a) The instrument of transfer of any share or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
<b>63.</b>	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	<b>Transfer Form.</b>
<b>64.</b>	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	<b>Transfer not to be registered except on production of instrument of transfer.</b>
<b>65.</b>	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	<b>Directors may refuse to register transfer.</b>
<b>66.</b>	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>

<b>Sr. No</b>	<b>Particulars</b>	
<b>67.</b>	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
<b>68.</b>	The Board of Directors shall have power of giving not less than seven days previous notice in accordance with section 91 and rules made thereunder and close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debentureholder or other security holders.</b>
<b>69.</b>	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
<b>70.</b>	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer <b>within two weeks</b> from the receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
<b>71.</b>	For this purpose, the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
<b>72.</b>	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<b>Recognition of legal representative.</b>
<b>73.</b>	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	<b>Titles of Shares of deceased Member</b>

<b>Sr. No</b>	<b>Particulars</b>	
<b>74.</b>	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
<b>75.</b>	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer. (Transmission clause).</b>
<b>76.</b>	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
<b>77.</b>	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
<b>78.</b>	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>
<b>79.</b>	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
<b>80.</b>	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
	<b>NOMINATION</b>	
<b>81.</b>	i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the	<b>Nomination</b>

Sr. No	Particulars	
	<p>Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	
82.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all fees, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<b>Transmission of Securities by nominee</b>
	<b>DEMATERIALISATION OF SHARES</b>	
83.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialised form.	<b>Dematerialisation of Securities</b>
	<b>JOINT HOLDER</b>	
84.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
85.	<p>(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p> <p>(b) On the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;</p> <p>(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and</p> <p>(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall be deemed to be service on all the holders.</p>	<p><b>Joint and several liabilities for all payments in respect of shares.</b></p> <p><b>Title of survivors.</b></p> <p><b>Receipts of one sufficient.</b></p> <p><b>Delivery of certificate and giving of notices to first named holders.</b></p>
	<b>SHARE WARRANTS</b>	
86.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with	<b>Power to issue share warrants</b>

Sr. No	Particulars	
	respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	
87.	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	<b>Deposit of share warrants</b>
88.	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	<b>Privileges and disabilities of the holders of share warrant</b>
89.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	<b>Issue of new share warrant coupons</b>
<b>CONVERSION OF SHARES INTO STOCK</b>		
90.	<p>The Company may, by ordinary resolution in General Meeting.</p> <p>a) convert any fully paid-up shares into stock; and</p> <p>b) re-convert any stock into fully paid-up shares of any denomination.</p>	<b>Conversion of shares into stock or reconversion.</b>
91.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
92.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stock holders.</b>
93.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	<b>Regulations.</b>
<b>BORROWING POWERS</b>		
94.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash creditor by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, anybody corporate, bank, institution, whether	<b>Power to borrow.</b>

Sr. No	Particulars	
	incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	
95.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges.</b>
96.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
97.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
98.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
99.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
<b>MEETINGS OF MEMBERS</b>		
100.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
101.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members.	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>

<b>Sr. No</b>	<b>Particulars</b>	
	Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	
<b>102.</b>	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
<b>103.</b>	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	<b>Chairman of General Meeting</b>
<b>104.</b>	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
<b>105.</b>	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	<b>Chairman with consent may adjourn meeting.</b>
<b>106.</b>	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
<b>107.</b>	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
<b>108.</b>	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>Demand for poll not to prevent transaction of other business.</b>
<b>VOTES OF MEMBERS</b>		
<b>109.</b>	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	<b>Members in arrears not to vote.</b>
<b>110.</b>	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>

<b>Sr. No</b>	<b>Particulars</b>	
<b>111.</b>	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
<b>112.</b>	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
<b>113.</b>	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	<b>Postal Ballot</b>
<b>114.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
<b>115.</b>	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joint holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	<b>Votes of joint members.</b>
<b>116.</b>	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
<b>117.</b>	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
<b>118.</b>	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable. (b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members paying money in advance.</b> <b>Members not prohibited if share not held for any specified period.</b>
<b>119.</b>	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
<b>120.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if	<b>No votes by proxy on show of hands.</b>

<b>Sr. No</b>	<b>Particulars</b>	
	he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	
<b>121.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>
<b>122.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
<b>123.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
<b>124.</b>	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes.</b>
<b>125.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
<b>DIRECTORS</b>		
<b>126.</b>	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	<b>Number of Directors</b>
<b>127.</b>	(a)The Following shall be the First Directors of the Company:  1. Bhavesh Himmatlal Shah 2. Hitesh Natvarlal Punjani  (b) The Company in General Meeting may from time to time increase or reduce the number of Directors within the limit fixed as above.	<b>First Directors</b>
<b>128.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
<b>128.</b>	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the	<b>Nominee Directors.</b>

<b>Sr. No</b>	<b>Particulars</b>	
	<p>Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	
<b>129.</b>	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of alternate Director.</b>
<b>130.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director of the Company. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
<b>131.</b>	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
<b>132.</b>	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
<b>133.</b>	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>		
<b>134.</b>	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit.</p> <p>(b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	<b>Meetings of Directors.</b>
<b>135.</b>	<p>a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.</p> <p>b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>	<b>Chairperson</b>
<b>136.</b>	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
<b>137.</b>	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>

<b>Sr. No</b>	<b>Particulars</b>	
	quorum, or of summoning a general meeting of the company, but for no other purpose.	
<b>138.</b>	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>
<b>139.</b>	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Committee Meetings how to be governed.</b>
<b>140.</b>	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Meetings</b>
<b>141.</b>	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	<b>Meetings of the Committee</b>
<b>142.</b>	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>
<b>POWERS OF THE BOARD</b>		
<b>144.</b>	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However, no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	<b>Powers of the Board</b>
<b>145.</b>	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property , rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	<b>To take on Lease.</b>

<b>Sr. No</b>	<b>Particulars</b>	
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	<b>To pay for property.</b>
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	<b>To appoint trustees for the Company.</b>
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any	<b>To give Security by way of indemnity.</b>

Sr. No	Particulars	
	personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	
	(15) To determine from time-to-time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	<b>Transfer to Reserve Funds.</b>
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	<b>To appoint and remove officers and other employees.</b>
	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers,	<b>To appoint Attorneys.</b>

Sr. No	Particulars	
	authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	<b>To enter into contracts.</b>
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
	(26) To redeem preference shares.	<b>To redeem preference shares.</b>
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or	

Sr. No	Particulars	
	<p>object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p> <p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and repurchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
146.	<p><b>MANAGING AND WHOLE-TIME DIRECTORS</b></p> <p>a) Subject to the provisions of the Section 2(54), 196, 197, 198, 203 of the Act read with Schedule V and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by</p>	<p><b>Powers to appoint Managing Whole-time Directors.</b></p>

<b>Sr. No</b>	<b>Particulars</b>	
	rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.	
<b>147.</b>	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Whole-time Director.</b>
<b>148.</b>	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	<b>Powers and duties of Managing Director or Whole-time Director.</b>
<b>149.</b>	<p>a) Subject to the provisions of the Act, —</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>i.</p> <p>i. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b)</p>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>
	<b>THE SEAL</b>	
<b>150.</b>	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe	<b>The seal, its custody and use.</b>

<b>Sr. No</b>	<b>Particulars</b>	
	<p>custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	
<b>151.</b>	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	<b>Deeds how executed.</b>
	<b>DIVIDEND AND RESERVES</b>	
<b>152.</b>	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	<b>Division of profits.</b>
<b>153.</b>	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>
<b>154.</b>	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<b>Transfer to reserves</b>
<b>155.</b>	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	<b>Interim Dividend.</b>
<b>156.</b>	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
<b>157.</b>	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
<b>158.</b>	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>

<b>Sr. No</b>	<b>Particulars</b>	
<b>159.</b>	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles.</b>
<b>160.</b>	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
<b>161.</b>	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
<b>162.</b>	Any one of two or more joint shareholders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	<b>Dividend to joint holders.</b>
<b>163.</b>	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	<b>Dividends how remitted.</b>
<b>164.</b>	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
<b>165.</b>	<p>within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called" _____ Unpaid Dividend Account"</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.</p> <p>The Board shall forfeit no unclaimed or unpaid dividend.</p> <p>No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.</p>	<b>Unpaid Or Unclaimed Dividend</b>
<b>CAPITALIZATION</b>		
<b>166.</b>	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p>	<b>Capitalization.</b>

<b>Sr. No</b>	<b>Particulars</b>	
	<p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	
<b>167.</b>	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	<b>Fractional Certificates.</b>
<b>168.</b>	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may be consistent with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	<b>Inspection of Minutes Books of General Meetings.</b>
<b>169.</b>	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	<b>Inspection of Accounts</b>
<b>FOREIGN REGISTER</b>		
<b>170.</b>	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
<b>DOCUMENTS AND SERVICE OF NOTICES</b>		
<b>171.</b>	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>

<b>Sr. No</b>	<b>Particulars</b>	
<b>172.</b>	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
	<b>WINDING UP</b>	
<b>173.</b>	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	
	<b>INDEMNITY</b>	
<b>174.</b>	Every Officer or Employee of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in which relief is granted to him by the Court or tribunal.	
<b>175.</b>	<p>Subject to the provisions of the Act and so far as such provisions permit, no officer or any employee of the Company shall be liable for acts, omissions, neglects or defaults of any other director or officer, or for joining in any receipt or act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency or title to any property acquired by the order of the Director for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss incurred by any error of judgement, omission or default or oversight on his part, or for any other loss, damage or misfortune, whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.</p> <p>The Company may take and maintain any insurance as the Board may think fit on behalf of its directors (present and former), other employees and Key managerial Personnel, for insurers to directly meet all claims, losses, expenses, fines, penalties or such other levies, or for indemnifying any or all of them against any such liability for any acts in relation to the Company for which they may be liable.</p>	
	<b>SECRECY</b>	
<b>176.</b>	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	<b>Secrecy</b>

Sr. No	Particulars	
	<p>(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.</p>	<b>Access to property information etc.</b>
<b>177.</b>	<p>Where any provisions of the said Act, provides that the Company shall do such act, deed, or thing, or shall have a right, privilege or authority to carry out a particular transaction, only if it is authorized in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this article hereby authorizes the Company to carry out the same, without the need for any specific or explicit Article in that behalf.</p>	

## **SECTION XII – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office between 10 a.m. and 5 p.m. on all Working Days (Monday to Friday) from the date of the Draft Prospectus until the Offer Closing Date.

#### **A. MATERIAL CONTRACTS**

1. Memorandum of Understanding dated July 05, 2023 between our Company, the Selling Shareholders and the Lead Manager.
2. Registrar Agreement dated July 05, 2023 between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Banker(s) to the Offer Agreement dated [●] between our Company, the Selling Shareholders, the Lead Manager, Banker(s) to the Offer and the Registrar to the Offer.
4. Market Making Agreement dated [●] between our Company, the Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, the Selling Shareholders, the Lead Manager and the Underwriter.
6. Share Escrow Agreement dated [●] between our Company, Selling Shareholders, the Lead Manager and the Share Escrow Agent.
7. Tripartite agreement between the CDSL, our Company and the Registrar to the Offer dated December 23, 2020
8. Tripartite agreement between the NSDL, our Company and the Registrar to the Offer dated June 09, 2021

#### **B. MATERIAL DOCUMENTS**

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation dated September 17, 2009 issued under the name Shreni Shares Private Limited.
3. Copy of Fresh Certificate of Incorporation dated May 26, 2023 issued by Registrar of Companies, Mumbai consequent to name change from “Shreni Shares Private Limited” to “Shreni Shares Limited” pursuant to the conversion of our Company into a Public Limited Company.
4. Resolution of the Board of Directors dated May 30, 2023 in relation to the Offer.
5. Resolution of the Shareholders of our Company, passed at the Extra-Ordinary General Meeting held on June 02, 2023 in relation to the Offer.
6. Auditor’s report for Restated Financial Statements dated June 13, 2023 included in this Draft Prospectus.
7. The Statement of Possible Tax Benefits dated June 13, 2023 from our Auditors included in this Draft Prospectus.
8. Certificate on KPI’s issued by the Peer Review Auditors, namely M/s. J.D. Shah Associates, Chartered Accountants

dated June 13, 2023.

9. *Consents of our Directors, Promoters, the Selling Shareholders, Company Secretary and Compliance Officer, Chief Executive Officer, Chief Financial Officer, Statutory Auditor, Banker(s) to the Company\*, Lead Manager, Legal Advisor to the Offer, Registrar to the Offer, Underwriters\* and Market Maker\*, Share Escrow Agent\* to act in their respective capacities.*

*\*The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/- <b>Mr. Bhavesh Himmatlal Shah</b> Chairman and Managing Director <b>DIN:</b> 02334260	Sd/- <b>Mr. Hitesh Natvarlal Punjani</b> Whole - time Director <b>DIN:</b> 02072811
Sd/- <b>Mr. Parth Shah</b> Whole-time Director and Chief Executive Officer <b>DIN:</b> 08323123	Sd/- <b>Ms. Nidhi Shah</b> Whole-time Director <b>DIN:</b> 09172519
Sd/- <b>Mr. Arpit T Shah</b> Independent Director <b>DIN:</b> 10169312	Sd/- <b>Mrs. Palak J Shah</b> Independent Director <b>DIN:</b> 10168539
Sd/- <b>Mrs. Rachana Pranav Sheth</b> Independent Director <b>DIN:</b> 10156318	Sd/- <b>Mr. Vikash Kumar Jain</b> Independent Director <b>DIN:</b> 02273508

### SIGNED BY THE CFO AND CS OF OUR COMPANY:

Sd/- <b>Ms. Nidhi Shah</b> Chief Financial Officer	Sd/- <b>Mrs. Varsha Sharma</b> Company Secretary
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**Date:** July 25, 2023

**Place:** Mumbai

### **DECLARATION BY SELLING SHAREHOLDERS**

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

Sd/- <b>Mr. Hitesh Natvarlal Punjani</b> <b>Promoter Selling Shareholder</b>	Sd/- <b>Ms. Nidhi Shah</b> <b>Promoter Group Selling Shareholder</b>
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**Date:** July 25, 2023

**Place:** Mumbai