



**KCD INDUSTRIES INDIA LIMITED**  
**Corporate Identification Number: L70100MH1985PLC301881**

Our Company was originally incorporated as public company under the Companies Act, 1956 in the name and style of “Ruchika Electronics Limited” bearing Registration Number 21039 dated May 25, 1985, issued by the Registrar of Companies, Delhi & Haryana. The Name of the Company was changed from “Ruchika Electronics Limited” to “Ruchika Industries India Limited” vide RoC Certificate dated 23<sup>rd</sup> November 2001. Later, name of the Company has been changed from “Ruchika Industries India Limited” to “KCD Industries India Limited” vide RoC certificate dated 4<sup>th</sup> October 2019. For details of changes in name and registered office of our Company, see ‘General Information’ beginning on page 39.

**Registered Office:** 501, 5<sup>th</sup> Floor, Ruby Crescent Business Boulevard, Ashok Chakravati Road, Kandivali (East), Mumbai – 400101, Maharashtra, India;

**Corporate Office:** 1101-1102, Techno Park, New Link Road, Near Eskay Resort, Borivali (West), Mumbai – 400 092;

**Contact:** +91 77159 54966, **Website:** [www.kcdindustries.com](http://www.kcdindustries.com) ; **E-mail:** [compliance@kcdindustries.com](mailto:compliance@kcdindustries.com) ;

**Managing Director and CFO:** Mr. Rajiv Darji

**FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY**  
**THE PROMOTERS OF OUR COMPANY IS MR. RAJIV CHANDULAL DARJI**

RIGHTS ISSUE OF 2,71,42,857 (TWO CRORES SEVENTY ONE LAKHS FORTY TWO THOUSAND EIGHT HUNDRED AND FIFTY SEVEN) PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹1.00/- (RUPEE ONE ONLY) (‘EQUITY SHARES’) EACH AT A PRICE OF ₹18.00/- (RUPEES EIGHTEEN ONLY) PER RIGHTS SHARE (TO BE ISSUED AT PREMIUM OF ₹17.00/- (RUPEES SEVENTEEN ONLY) WITH THE FACE VALUE OF THE EQUITY SHARE) (‘ISSUE PRICE’) (‘RIGHT SHARES’) FOR AN AMOUNT UP ₹48,85,71,426.00/- (RUPEES FORTY-EIGHT CRORES EIGHTY-FIVE LAKHS SEVENTY-ONE THOUSAND FOUR HUNDRED AND TWENTY SIX ONLY) ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS OF KCD INDUSTRIES INDIA LIMITED (‘COMPANY’ OR ‘ISSUER’) IN THE RATIO OF 19 (NINETEEN) RIGHT SHARES FOR EVERY 7 (SEVEN) EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, FRIDAY, MAY 19, 2023 (‘ISSUE’). THE ISSUE PRICE IS AT PREMIUM WITH THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED ‘TERMS OF THE ISSUE’ BEGINNING ON PAGE 110 OF THIS LETTER OF OFFER.

\*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.

**TERMS OF PAYMENT**

AMOUNT PAYABLE PER RIGHT EQUITY SHARE	FACE VALUE	PREMIUM	TOTAL	PERCENTAGE OF RIGHT ISSUE PRICE
On Application	₹0.25	₹4.25	₹4.50	25%
One or more calls, subsequent calls as may be determined by the Board/ Committee	₹0.75	₹12.75	₹13.50	75%
<b>Total</b>	<b>₹1.00/-</b>	<b>₹17.00/-</b>	<b>₹18.00/-</b>	<b>100.00%</b>

**GENERAL RISK**

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by Securities and Exchange Board of India (‘SEBI’) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Investors are advised to refer ‘Risk Factors’ beginning on page 21 of this Letter of Offer before investing in the Issue.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The existing Equity Shares of our Company are listed on BSE Limited and are traded on BSE Limited. Our Company has received in-principle approvals for listing of the Right Shares from BSE Limited vide its letter bearing reference number LOD/RIGHT/VK/FIP/36/2023-24 dated April 19, 2023. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.

**REGISTRAR TO THE ISSUE**



**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**

D 153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi - 110020, India

Tel.: +91 011-40450193-97

Web: [www.skylinerta.com](http://www.skylinerta.com)

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

SEBI Registration No: INR0000003241

Contact Person: Mr. Anuj Rana

**ISSUE PROGRAMME**

ISSUE OPENING DATE	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSING DATE**
Wednesday, May 31, 2023	Friday, June 9, 2023	Wednesday, June 14, 2023

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

\*\* Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### DEFINITIONS

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

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, 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, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the/our Company’, ‘we’, ‘our’, ‘us’, or similar terms are to KCD INDUSTRIES INDIA LIMITED as the context requires, and references to ‘you’ are to the Eligible Shareholders and/ or prospective Investors in this Issue.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled ‘*Industry Overview*’, ‘*Statement of Tax Benefits*’, ‘*Financial Information*’, ‘*Outstanding Litigations, Defaults and Material Developments*’ and ‘*Terms of the Issue*’ on page 55, 51, 67, and 101 respectively, shall have the meaning given to such terms in such sections.

#### CONVENTIONAL/ GENERAL TERMS

Term	Description
Company/ the Issuer / KCD	KCD Industries India Limited, a public limited Company incorporated under the provisions of the Companies Act, 1956, as amended from time to time having its registered office at 501, 5 <sup>th</sup> Floor, Ruby Crescent Business Boulevard, Ashok Chakravati Road, Kandivali (East), Mumbai, Maharashtra, 400101.
We/ us/ our	Unless the context otherwise indicates or implies, refers to our Company;
₹/ Rs./ Rupees/ INR	Indian Rupees;
AY	Assessment Year;
Board/ Board of Directors	Board of directors of our Company or a duly constituted committee thereof;
Companies Act	The Companies Act, 2013 and rules issued thereunder, as amended from time to time;
Depositories Act	The Depositories Act, 1996 and amendments thereto;
DP/ Depository Participant	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Equity Shares	Equity shares of the Company having face value of ₹1.00 (Rupee One only);
Equity Shareholder	A holder of Equity Shares
Eligible Equity Shareholder(s)	Existing Equity Shareholders as on the Record Date;
Erstwhile Companies Act	The Companies Act, 1956, which has been repealed and replaced by the New Companies Act;
EPS	Earnings Per Share;
IT Act	The Income Tax Act, 1961 and amendments thereto;
Ind-AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standards) Rules 2015, as amended;

Term	Description
Corporate office Address	1101-1102, Techno Park, New Link Road, Near Eskay Resort, Borivali (West), Mumbai – 400 092
NAV	Net Asset Value per Equity Share;
NEFT	National Electronic Fund Transfer;
NR/ Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Account Non-resident external account;
NRI	Non-resident Indian;
OCB	Overseas Corporate Body;
PAN	Permanent Account Number;
PAT	Profit After Tax;
RBI	Reserve Bank of India;
RONW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956;
SCRR	Securities Contracts (Regulation) Rules, 1957;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
Securities Act	United States Securities Act of 1933, as amended;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Stock Exchange	BSE Limited;

#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
CAGR	Compound Annual Growth Rate;
DPIIT	Department for Promotion of Industry and Internal Trade
FDI	Foreign Direct Investment;
FIPB	Foreign Investment Promotion Board;
FSSAI	The Food Safety and Standards Authority of India;
FY	Financial Year;
GDP	Gross Domestic Product;
GST	Goods and Services Tax;
IMF	International Monetary Fund;
ISO	International Organization for Standardization;
One Billion	Ten Thousand Lakhs;
One Million	Ten Lakhs;
One Trillion	One Crore Lakhs;
USA	United States of America;
USD	United States Dollar;
WEO	World Economic Outlook;

## ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/ Allotment/ Allotted	Unless the context requires, the allotment of Rights Equity Shares pursuant to this Issue.
Allotment Account	The account opened with the Banker to the Issue, into which the Application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act.
Allotment Account Bank	The bank which is a clearing member and registered with SEBI as bankers to an issue and with whom the Allotment Account will be opened, in this case being, Kotak Mahindra Bank Limited.
Allotment Advice	Note, advice, or intimation of Allotment sent to each successful Investors who have been or is to be Allotted the Rights Equity Shares pursuant to this Issue after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment Date	The date on which the Allotment is made pursuant to this Issue.
Allottees	Person(s) who are Allotted Rights Shares pursuant to the Allotment.
Applicant(s)/ Investor(s)	Eligible Shareholder(s) and/or Renouncee(s) who make are entitled to make an application for the Rights Shares pursuant to this Issue in terms of the Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form through the website of the SCSBs (if made available by such SCSBs) under the ASBA process is used by an Investor to make an application for the Allotment of Rights Shares in the Issue.
Application Money	The aggregate amount payable at the time of Application ₹ 4.50/- (Rupees Four and Fifty paise Only) representing 25% (Twenty Five Percent) of the Issue Price in respect of the Rights Shares applied for in this Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Money of the ASBA Investor.
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for a rights issue only through the ASBA facility.
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations.
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020'.
Bankers to the Issue	Collectively, the Escrow Collection Bank, Allotment Account Bank, and the Refund Bank to the Issue, in this case being Kotak Mahindra Bank Limited;
Bankers to the Issue Agreement	Agreement dated May 8, 2023, entered by and amongst our Company, the Registrar, and the Bankers to the Issue.
Basis of Allotment	The basis on which the Rights Shares will be Allotted to successful Applicants in the Issue in consultation with BSE Limited, and which is described in the section titled ' <i>Terms of the Issue</i> ' beginning on page 110 of this Letter of Offer.

Term	Description
BSE Limited	BSE Limited, being the Stock Exchange where presently the Equity Shares of the Company are listed.
Call Monies	The balance amount payable by the holders of the Rights Shares pursuant to the Payment Schedule, is ₹ 13.50/- (Rupees Thirteen and Fifty Paise Only) per Rights Equity Share (representing 75% (Seventy Five Percent) of the Issue Price) after payment of the Application Money.
Call Record Date	A record date fixed by our Company to determine the names of the holders of Rights Shares for the purpose of issuing the Call.
Call	The notice issued by our Company to the holders of the Rights Shares as on the Call Record Date for making a payment of the Call Monies.
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the the Registrar to the Issue, and BSE Limited, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> .
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation, and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form or plain paper application, submitted by ASBA Bidders, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=Fpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised Fpi=yes&amp;intmId=35</a> updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/ DLoF	This Draft Letter of Offer dated Friday, February 24, 2023, filed with BSE Limited, in accordance with the SEBI (ICDR) Regulations, for its observations and in-principle approvals.
Eligible Shareholders Equity	Existing Equity Shareholders as on the Record Date i.e. Friday, May 19, 2023. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders.
Issue/ Rights Issue	Rights Issue of up to 2,71,42,857 party-paid up Rights Shares of our Company for cash at a price of ₹18/-(Rupees Eighteen Only)per Rights Shares(including a premium of ₹17.00/- (Rupees Seventeen Only) aggregating to an amount of up to ₹48,85,71,426/-(Rupees Forty-Eight Crores Eighty Five Lakhs Seventy One Thousand Four Hundred And Twenty Six Only) ( <i>assuming full subscription and receipt of all Call Monies with respect to Rights Shares</i> ) on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 19 (Nineteen ) Right Equity Share for every 7(Seven) Equity Share held by the Eligible Equity Shareholders of our Company on the Record Date i.e. Friday, May 19, 2023. On Application, Investors will have to pay ₹ 4.50/- (Rupees Four and Fifty Paise Only) per Rights Equity Share which constitutes 25% (Twenty Five Percent) of the Issue Price, and the balance ₹13.50 /- (Rupees Thirteen and Fifteen Paise Only) per Rights Share which constitutes 75% (Seventy Five Percent) of the Issue Price, will have to be paid, on one or more additional calls as may be decided by the Board/ Rights Issue Committee of the Board from time to time.
Issue Opening Date	Wednesday, May 31, 2023.
Issue Closing Date	Wednesday, June 14, 2023.
Issue Materials	The Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Forms, including any notices, corrigendum thereto.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations.
Issue Price	₹ 18/-(Rupees Eighteen Only) per Rights Equity Share issued in 1 (One) Rights Entitlement, including a premium of ₹17/- (Rupees Seventeen Only) per Rights Share).



Term	Description
	On Application, Investors will have to pay ₹ 4.50/- (Rupees Four and Fifty Paise Only) per Rights Equity Share which constitutes 25% (Twenty Five Percent) of the Issue Price, and the balance ₹ 13.50/- (Rupees Thirteen and Fifty Paise Only) per Rights Share which constitutes 75 % (Seventy Five Percent) of the Issue Price, will have to be paid, on one or more additional calls as may be decided by the Board/ Rights Issue Committee of the Board from time to time.
Issue Shares	2,71,42,857 (Two Crore Seventy-One Lakhs Forty-Two Thousand Eight Hundred and Fifty-Seven) partly-paid-up Rights Equity Shares.
Issue Proceeds	The proceeds of the Issue that are available to our Company.
Issue Size	Amount aggregating up to ₹48,85,71,426.00/- (Rupees Forty-Eight Crores Eighty-Five Lakhs Seventy-One Thousand Four Hundred And Twenty Six Only) (Assuming full subscription and receipt of all Call Monies with respect to Rights Shares).
Letter of Offer/ LoF	The final letter of offer is to be filed with SEBI and BSE Limited after incorporating the observations received from BSE on the Letter of Offer.
Listing Agreements	Listing agreements entered between our Company and BSE Limited in terms of the SEBI (LODR) Regulations.
Multiple Application Forms	More than one Application Form submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However supplementary applications in relation to further Rights Shares with/without using additional Rights Entitlements will not be treated as multiple applications.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ' <b>Objects of the Issue</b> ' beginning on page 46 of this Letter of Offer;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Investors/ NIIs	An Investor is other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations.
Offer Document	The Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum, advertisements, thereto, Rights Entitlement Letter.
Off Market Renunciation	The renunciation of Rights Entitlements is undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the BSE Limited through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by BSE Limited, from time to time, and other applicable laws, on or before Friday, June 9, 2023.
Payment Schedule	Payment schedule under which 25% (Twenty Five Percent) of the Issue Price is payable on Application, i.e., ₹ 4.50/- (Rupees Four and Fifty Paise Only) per Rights Share, and the balance unpaid capital constituting 75% (Seventy Five Percent) of the Issue Price i.e., ₹13.50 /- (Rupees Thirteen and Fifty Paise Only) will have to be paid, on one or more additional calls as may be decided by the Board/ Committee of the Board from time to time.
Physical Equity Shareholders	Eligible Equity Shareholders holding Equity Shares in physical form shall be termed as Physical Equity Shareholders.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Record Date	Designated date to determine the Eligible Equity Shareholders eligible to apply for Rights Shares, being Friday, May 19, 2023.
Refund Bank	The Banker to the Issue with the Refund Account will be opened, in this case being Kotak Mahindra Bank Limited.

Term	Description
Registrar Agreement	Agreement dated Monday, May 8, 2023 entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registrar to the Issue	Skyline Financial Services Private Limited.
Renouncees	Any persons who have acquired Rights Entitlements from the Eligible Equity Shareholders through renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. Wednesday, May 31, 2023. Such period shall close on Friday, June 9, 2023 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. Wednesday, June 14, 2023;
Retail Individual Investors/ RIIs	An Individual Investor (including an HUF applying through Karta) who has applied for Rights Shares and whose Application Money is not more than ₹2,00,000/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations.
Rights Entitlement Letter	This letter includes details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are accessible on the website of our Company.
Rights Entitlement (s)/ RES	The number of Rights Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 19 Rights Shares for every 7 Equity Shares held by an Eligible Shareholder. The Rights Entitlements with a separate ISIN 'INE185U20019' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue;
SEBI Rights Issue Circulars	The SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020'.
Self-Certified Syndicate Banks/ SCSB(s)	Self-certified syndicate banks registered with SEBI, which act as a Banker to the Issue and which offer the facility of ASBA. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a>
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Willful Defaulter or Fraudulent Borrower	A Company or person, as the case may be, categorized as a willful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of SEBI (ICDR) Regulations and in accordance with the guidelines on willful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, a working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the period between the Issue Closing Date and the listing of Equity Shares on BSE Limited, working day means all trading days of BSE, excluding Sundays and bank holidays, as per circulars issued by SEBI.



## COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/ AoA	The articles of association of our Company, as amended;
Registered Office	The Registered Office of our Company located at “501, 5th Floor, Ruby Crescent Business Boulevard, Ashok Chakravati Road, Kandivali (East), Mumbai, Maharashtra, 40010
Registrar of Companies/ RoC	Registrar of Companies, Mumbai, Maharashtra having its office at 100, Everest, Marine Drive, Mumbai-400002, India
Auditor/ Statutory Auditor	Statutory Auditors of our Company, namely M/s. Sayed & Associates.
Limited Review Report	The Limited Review Report on unaudited financial results prepared in accordance with the Companies Act and SEBI Listing Regulations issued by the Statutory Auditors of our Company;
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Chief Financial Officer / CFO	Mr. Rajiv Chandulal Darji, the CFO of our Company;
Company Secretary and Compliance Officer	Mr. Pankaj Yadav, the Company Secretary, and the Compliance Officer of our Company
Individual Promoters	Mr. Rajiv Chandulal Darji, the Individual Promoter of our Company;
Independent Director(s)	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
Key Management Personnel / KMP	Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “Our Management – Key Managerial Personnel” on Page 64 of this Letter of Offer.
Financial Statement	The audited Standalone financial statement of our Company for the period ended March 31, 2022, which have been prepared in accordance with Indian Accounting Standard (Ind AS) and Limited review unaudited financials for the period ended December 31, 2022;
Memorandum of Association/ MoA	The memorandum of association of our Company, as amended;
NOC	No Objection Certificate;

## BUSINESS / INDUSTRY RELATED TERMS

Term	Description
ADR	American Depositary Receipt;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
BSE	BSE Limited;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder;
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) ;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;

Term	Description
CSR	Corporate Social Responsibility;
DIN	Director Identification Number;
DP	Depository Participant;
DR	Depository Receipts;
EGM	Extraordinary General Meeting;
EEA	European Economic Area;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	Foreign Portfolio Investors;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI;
GDR	Global Depository Receipt;
GNPA	Gross Net Performing Assets;
GDP	Gross Domestic Product;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles In India;
Income Tax Act / IT Act	Income Tax Act, 1961;
Indian GAAP	Generally Accepted Accounting Principles in India;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
Mn / mn	Million;
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited;
p.a.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent account number;
PAT	Profit after Tax;

## ABBREVIATIONS

Term	Description
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder;
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections);
CSR	Corporate Social Responsibility;
BSE	BSE Limited;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depositories Act	The Depositories Act, 1996;
DIN	Director Identification Number;
DP	Depository Participant;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortization expense, as presented in the statement of profit and loss;
EGM	Extraordinary General Meeting;
EPS	Earning per Equity Share;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	Foreign Portfolio Investors;
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI;
FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated;
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GDR	Global Depository Receipt;
GNPA	Gross Net Performing Assets;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;

Term	Description
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles In India;
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto;
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;
INR / ₹ / Rs./ Indian Rupees	Indian Rupee, the official currency of the Republic of India;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
Mn / mn	Million;
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR/ Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Account Non-resident external account;
NRI	Non-resident Indian;
NSDL	National Securities Depository Limited;
OCB	Overseas Corporate Body;
p.a.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent account number;
PAT	Profit after Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RoNW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956;
SCRR	Securities Contracts (Regulation) Rules, 1957;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992;
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Securities Act	United States Securities Act of 1933, as amended;
STT	Securities transaction tax;
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;

## NOTICE TO OVERSEAS INVESTORS

The distribution of the Issue Material and the Issue of Rights Entitlements or the Right Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Issue Material may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Equity Shareholders as on Record Date and will dispatch the Issue Material through email and courier to such Eligible Shareholders who have a registered address in India or have provided an Indian address to our Company. The Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company or who are in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials. Investors can also access the Issue Material from the websites of the Registrar, our Company, and BSE Limited.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with BSE for observations. Accordingly, the Rights Entitlements or the Right Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under such circumstances, Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Right Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the Issue of Rights Entitlements or the Right Shares, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Issue Materials are received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlements or the Right Shares referred to in the Issue Materials.

Any person who makes an application to acquire the Rights Entitlement or the Right Shares offered in this Issue will be deemed to have declared, represented, warranted, and agreed that she/he is authorized to acquire the Rights Entitlement or the Right Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar or any other person acting on behalf of us reserve the right to treat any Application Form as invalid where we believe that the Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to Allot or issue any Rights Entitlement or Right Shares in respect of any such Application Form.

Neither the delivery of Issue Materials nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer

**The contents of the Issue Materials should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of the offer of Right Entitlements or Right Shares. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of the Rights Entitlement or the Right Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Entitlement or the Right Shares regarding the legality of an investment in the Rights Entitlement or the Right Shares by such offeree or purchaser under any applicable laws or regulations.**

## **NO OFFER IN THE UNITED STATES**

The Right Entitlements or the Right Shares of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Issue Materials are being offered in India, but not in the United States. The offering to which the Issue Materials relate to is not and are under no circumstances to be construed as, an offering of any Right Entitlement or the Right Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said Right Entitlement or the Right Shares. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Entitlements or the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Equity Shares in India. Any person who acquires Right Entitlements or Right Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Right Entitlements or the Rights Shares, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States, and
3. It is authorized to acquire the Right Entitlements or the Rights Shares in compliance with all applicable laws and regulations.
4. Our Company reserves the right to treat as invalid any Application Form which:
5. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations;
6. Appears to our Company or its agents to have been executed in or dispatched from the United States;
7. Where a registered Indian address is not provided; or
8. Where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Entitlement or the Right in respect of any such Application Form.

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



## PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

### CERTAIN CONVENTIONS

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our 'Company', 'we', 'our', 'us' or similar terms are to KCD INDUSTRIES INDIA LIMITED or, as the context requires, and references to 'you' are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Letter of Offer is derived from the audited Financial Statement of our Company which have been prepared in accordance with Indian GAAP, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled '*Financial Information*' beginning on page 27 of this Letter of Offer. The financial year of our Company commences on April 1 and ends on March 31.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

### CURRENCY OF PRESENTATION

All references in this Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.

All references to 'U.S. \$', 'U.S. Dollar', 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

#### ***Please Note:***

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000 million/100 crores;

One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs;

## FORWARD LOOKING STATEMENTS

We have included statements in this Letter of Offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’.

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

1. Fluctuations in operating costs;
2. Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
3. General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
4. Changes in laws and regulations relating to the sectors and industry in which we operate;
5. Increased competition in industries and sector in which we operate;
6. Factors affecting the industry in which we operate;
7. Our ability to meet our capital expenditure requirements;
8. Our ability to successfully implement our growth strategy and expansion plans and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
9. Our ability to attract and retain qualified personnel;
10. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
11. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
12. Any adverse outcome in the legal proceedings in which we/our group companies are involved;
13. Other factors beyond our control;
14. Our ability to manage risks that arise from these factors;
15. Changes in Government policies and Regulatory actions that apply to or affect our business;
16. Conflicts of interest with affiliated companies, the promoter group and other related parties;
17. The performance of the financial markets in India and globally; and

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled '**Risk Factors**' beginning on page 21 of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially be different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchange' requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the BSE Limited.

## SECTION II – SUMMARY OF THE LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the sections titled '**Risk Factors**', '**Objects of the Issue**', '**Business Overview**' and '**Outstanding Litigations, Defaults and Material Developments**' beginning on pages 21,46, 101 of this Letter of Offer, respectively.

### SUMMARY OF OUR BUSINESS

We are engaged in the business of construction services. Our Company is presently into the business of providing construction contracts from developers. We are experienced in various aspects of the real estate development business, including identification and selection of location, development, design, project management and sales and marketing. We streamline our project management and construction processes with an aim to develop real estate projects consistently and in a timely and cost-efficient manner.

For further details, please refer to the chapter titled '**Business Overview**' beginning on page 61 of this Letter of Offer

### PROMOTER OF OUR COMPANY

As of the date of this Letter of Offer, the Promoter of our Company is Mr. Rajiv Chandulal Darji.

### OBJECTS OF THE ISSUE

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

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#	₹4,885.71
Less: Estimated Issue related Expenses	(₹25.51)
<b>Net Proceeds from the Issue</b>	<b>₹4,860.20</b>

*\* Assuming full subscription in this Issue and receipt of all Call Monies with respect to the Rights Equity Shares in this Issue and subject to finalization of Basis of Allotment and the Allotment, and to be adjusted per the Rights Entitlement ratio.*

*\*The Issue size will not exceed ₹4900.00 (Rupees Forty-Nine Crores Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1)	Working Capital requirement	₹3,900.00
2)	General Corporate purpose	₹960.20
	<b>Total Net Proceeds</b>	<b>₹4,860.20</b>

For further details, please refer to the chapter titled '**Objects of the Issue**' beginning on page 18 of this Letter of Offer.

## SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoter of our Company vide letter dated Thursday, February 22, 2023, has confirmed that he may: (a) subscribe in part or to full extent of his Rights Entitlement in this Issue or may renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company, subject to compliance with the provisions Companies Act, the SEBI ICDR Regulations, the Takeover Regulations and other applicable laws/ regulations.

The allotment of Equity Shares of the Company subscribed by the Promoter in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

## FINANCIAL INFORMATION

The following table sets forth the summary financial information derived from the Limited Reviewed Unaudited Financial Statements for the nine-months period ended December 31, 2022, and the Audited Financial Statements, prepared in accordance with IndAs and the Companies Act, 2013, for the Financial Year ending March 31, 2022, and March 31, 2021.

*(In ₹Lakhs except Equity Share data)*

Particulars	For the nine-months period December 31, 2022	For the Financial Year ending	
		March 31, 2022	March 31, 2021
Equity Share Capital	100.00	100.00	100.00
Net Worth	--	342.44	323.17
Total Income	142.584	(6.35)	11.81
Profit / (loss) after tax	97.204	19.26	(7.38)
Basic and diluted EPS (in ₹)	4.860	0.96	0.37
Net asset value per Equity Share (in ₹)	--	17.12	16.16
Total borrowings	--	--	--

@The Company does not file Balance Sheet with BSE for quarter and nine-months period filings.

## AUDITOR QUALIFICATIONS

For further details on auditor qualifications, please refer to section titled '**Financial Statements**' beginning on page 67 of this Letter of Offer.

## OUTSTANDING LITIGATIONS

Nature of cases	Number of cases	Amount involved
Litigations involving our Company	Nil	Nil
Litigation involving our Directors, Promoters and Promoter Group	Nil	Nil
Litigation involving our Group Companies	Nil	Nil

For further details, please refer to the section titled '**Outstanding Litigations, Defaults and Material Developments**' beginning on page 101 of this Letter of Offer.

## **RISK FACTORS**

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled '**Risk Factors**' beginning on page 21 of this Letter of Offer.

## **CONTINGENT LIABILITIES**

There are no contingent liabilities as on the date of this Letter of Offer. For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '**Financial Statements**' beginning on page 67 of this Letter of Offer.

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled '**Financial Statements**' beginning on page 67 of this Letter of Offer.

## **FINANCING ARRANGEMENTS**

There have been no financing arrangements whereby our Directors and their relatives have financed the purchase, by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Letter of Offer.

## **ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR**

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Letter of Offer.



### SECTION III – RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider the risks described below as well as other information as may be disclosed in this Draft Prospectus before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations and financial condition as of the date of this Draft Prospectus. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occur, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. In making an investment decision, prospective investors must rely on their own examinations of us and the terms of the issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the issue. For further details, see “Business Overview” on page 61. This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. See “Forward-Looking Statements” on page 16 of this Draft Prospectus. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Draft Prospectus.*

#### INTERNAL RISKS

1. ***Some or all of our ongoing and planned projects may not be completed by their expected completion dates or at all. Such delays may adversely affect our business, results of operations and financial condition.***

As contractors, our ongoing and planned projects may be subject to significant changes and modifications from currently estimated management plans and timelines of the developers, as a result of factors outside our control, including, among others:

- defects or challenges to the land titles, including failure or delay in obtaining consent of current occupants.
- expiration of agreements to develop land or leases, and our inability to renew them in time or at all.
- availability of financing.
- failure or delay in securing necessary statutory or regulatory approvals and permits for us to develop some of our projects.
- natural disasters and weather conditions.
- reliance on third-party sub-contractors and the ability of third parties to complete their services on schedule and on budget; and

Such changes and modifications to our timelines may have a significant impact on our ongoing and planned projects, and consequently, we may not complete these projects as contemplated, or at all, which may have an adverse effect on our business, results of operations and financial condition. Some of our completed projects have faced delays in the past. In the event of the occurrence of such events, could result in disruption in our business activities, which could adversely affect our results of operations.

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

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. 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 Company's 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 the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. In addition, we are subject to laws and regulations relating to, among others, environmental approvals in respect of the project, minimum wages, working hours, health and safety of our labourers and requirements of registration of contract labour. Although we believe that our contractual arrangements are substantially in compliance with such laws and regulations, statutory authorities may allege non-compliance and we cannot assure you that we will not be subject to any such regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. Our Company is yet to apply for registration under the Contract Labour (Regulation and Abolition) Act, 1970 and a regulatory action can be taken against the Company by the CLRA authority including imposition of fine, which could adversely affect the business and financial operations of our company.

For further details, please see chapters titled "Government and Other Statutory Approvals" at pages 103 respectively of this Draft Prospectus.

**3. *Our real estate construction activities are geographically concentrated in Maharashtra state mainly. Consequently, we are exposed to risks from economic, regulatory and other changes in these areas, which in turn may have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our real estate construction activities are primarily focused in Maharashtra state mainly. For details of our projects, see "Business Overview" on page 61. The real estate market in Maharashtra may be affected by various factors outside our control, including prevailing local and economic conditions, changes in the supply and demand for properties comparable to those we develop, changes in the applicable governmental regulations, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. These factors may contribute to fluctuations in real estate prices, rate of sales and the availability of land in Maharashtra and could also adversely affect the demand for and valuation of our ongoing and planned projects. Any such risk may be further exacerbated by the illiquid nature of real estate investments. Consequently, our business, results of operations, cash flows and financial condition have been and will continue to be heavily dependent on the performance of, and the prevailing conditions affecting, the real estate market in Maharashtra.

**4. *We cannot assure you that the construction of our projects will be free from any and all defects.***

We cannot assure you that we will always finish the construction of our projects in accordance with the requisite specifications or that the construction of our projects will be free from any and all defects. If the work is unsatisfactory, the work has to be redone as per the instructions of Site in Charge without any extra cost. In the event of discovery of defects/faults in our work, or due to damages to our construction due to factors beyond our control, or any of the other reasons, we may incur significant contractual liabilities and losses under our projects contracts and such losses may materially and adversely affect our financial performance and results of operations.

**5. *Changes in market conditions between the time that we acquire land, enter into development agreements, construct and ultimately sale, may affect our ability to achieve the estimated profits out of our projects or at all, which could adversely affect our revenues and earnings.***

Our business is heavily dependent on the performance of the real estate market in western region in the state of Maharashtra. In the event of a regional slowdown in construction activity in Maharashtra or factors such as a slowdown in the industries including IT/ ITeS and automotive sectors, or any developments that make projects in Maharashtra less economically beneficial, we may experience more pronounced effects on our financial condition and results of operations than if we had further diversified our portfolio across different sections in different geographical locations. Our business, financial condition and results of operations have been and will continue to be largely dependent on the performance of, and the prevailing conditions affecting, and the real estate market in Maharashtra. The real estate markets in Maharashtra may perform differently from, and be subject to, market and regulatory developments that are different from the real estate markets in other States of India. We cannot assure you that the demand for our properties in western India will grow, or will not decrease, in the future.

The real estate market is affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates among other factors, which may negatively affect the demand for and the valuation of our Ongoing Projects, Projects under Development as well as our Forthcoming Projects.

These and other factors may negatively contribute to changes in real estate prices, the demand for and valuation of our current and future properties under development, may restrict the availability of land in western India and may adversely affect our business, financial condition and results of operations. If property prices fall in western India particularly in the State of Maharashtra, our business, financial condition and results of operations may be adversely affected.

**6. *Increased raw material, labour and other costs, may adversely affect our results of operation and feasibility of our development plan.***

We procure building materials for our projects, such as steel, cement, flooring products, hardware, bitumen, sand and aggregates, doors and windows, bathroom fixtures and other interior fittings, from third-party suppliers. The prices and supply of basic building materials and other raw materials depend on factors outside our control, including cost of their raw materials, general economic conditions, competition, production costs and levels, transportation costs, indirect taxes and import duties. Our ability to develop and construct projects profitably is dependent on our ability to obtain adequate and timely supply of building materials within our estimated budget. As we source our building materials from third parties, our supply chain may be interrupted by circumstances beyond our control. Poor quality roads and other transportation-related infrastructure problems, inclement weather and road accidents may also disrupt the transportation of supplies. Prices of certain building materials and, in particular, cement and steel prices, are susceptible to rapid increases. Further, we operate in a labour-intensive industry and if we or our contractors are unable to negotiate with the labour or their sub-contractors, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, it may be difficult to procure the required labour for ongoing or planned projects.

During periods of shortages in the supply of building materials or labour, we may not be able to complete projects according to our previously determined time frames, at our previously estimated project costs, or at all, which may adversely affect our results of operations and reputation. In addition, during periods where the prices of building materials or labour significantly increase, we may not be able to pass these price increases on to our customers, which could reduce or eliminate the profits we intend to gain from our projects. These factors could adversely affect our business, results of operations and cash flows.

**7. *Our business is subject to various operating risks at our construction sites, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.***

Our business operations are subject to operating risks, such as breakdown or failure of equipment's used at the project sites, weather conditions, interruption in power supply, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, accidents, our inability to respond to technological advancements and emerging realty industry standards and practices along with the need to comply with the directives of relevant government authorities. The occurrence of these risks, if any, could significantly affect our operating results, and the slowdown / shutdown of business operations may have a material adverse effect on our business operations and financial conditions.

**8. *Our Company's activities are labour intensive and depend on availability of skilled and unskilled labourers in large numbers. In case of unavailability of such labourers and / or inability to retain such personnel or occurrence of any work stoppages, our business operations could be affected.***

We operate in a labour-intensive industry and our contractors hire casual labour to work on our projects. In the event of a labour dispute, if our contractors are unable to successfully negotiate with the workmen or sub-contractors, it would result in work stoppages or increased operating costs. It may also be difficult to procure the required skilled workers for existing or future projects. In addition, we may also be liable for or exposed to sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors. Though we have not experienced any major disruptions in our business operations due to disputes or other problems with our work force in the past; however, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

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

**9. *We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

The market for our industry is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as quality of construction, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

**10. *We may require capital financing, which may not be available to us on commercially viable terms, or at all.***

Our business is cyclical and highly capital intensive, requiring substantial capital to complete our projects. We expect that we will require additional funding to meet our working capital needs, which could result in incurrence of indebtedness and leverage and therefore, borrowing costs and require us to comply with certain restrictive covenants. Our ability to obtain financing on favourable commercial terms, if at all, will depend on a number of factors, including:

- our future financial condition, results of operations and cash flows.
- the amount and terms of any existing indebtedness.
- general market conditions and market conditions for financing activities by real estate companies; and
- economic, political and other conditions in India and, in particular, state of Maharashtra.

Challenging conditions such as the global financial conditions, including continued disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions, reduced alternatives or failures of significant financial institutions, may significantly diminish the availability of credit to us and our customers. This may require us to delay or abandon some or all of our planned projects, reduce planned expenditures and advances to obtain land or development rights, and reduce the scale of our operations, and may adversely affect the sales of, and market rates for, our projects, and, consequently, our profitability. In addition, Indian regulations on foreign investment in housing, built-up infrastructure and construction and development projects impose significant restrictions, which may impact the availability of financing for our operations. Further, under current Indian regulations except for certain limited purposes, external commercial borrowings cannot be raised for investment in real estate, which may further restrict our ability to obtain necessary financing. In the event we are not able to raise additional financing on favourable terms, or at all, our planned capital expenditure, business, results of operations and prospects could be adversely affected.

**11. *Changes in interest rates in India could adversely affect our business.***

Our results of operations, and the financial standing of our customers, are substantially affected by prevailing interest rates and the availability of credit in the Indian economy. Interest rates in India have fluctuated over the last few years. Our ability to borrow funds for the development of our real estate projects is affected in part by the prevailing interest rates available to us from leading Indian banks. Changes in prevailing interest rates affect our interest expense in respect of our borrowings, and our interest income in respect of our interest on short-term deposits with banks and loans to associates. Significantly, the interest rate at which we may borrow funds, and the availability of capital to us for development purposes, affects our results of operations by limiting or facilitating the number of projects we may undertake and determining the return which we must obtain from each project to meet our obligations under our borrowings.

Changes in interest rates also affect the ability and willingness of our prospective real estate customers, particularly the customers for our residential properties, to obtain financing for their purchases of our completed developments. The interest rate at which our real estate customers may borrow funds for the purchase of our properties affects the affordability and purchasing power of, and hence the demand for, our real estate developments.

There can be no assurance that variations in interest rates and interest rate policy by the RBI will not adversely affect our financial condition and results of operations

**12. *Our business is substantially affected by prevailing economic conditions in India.***

We perform all of our real estate construction activities in India, all of our projects are located in India, and the predominant portion of our customers are Indian nationals. As a result, we are highly dependent on prevailing economic conditions in India and our results of operation are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our real estate developments and the purchase thereof by our customers;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's present tax, trade, fiscal or monetary policies;
- natural disasters, political instability, communal disturbances, riots, civil unrest, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- prevailing national, regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its real estate development sector.

In addition to the factors set forth above, our business may be affected by adverse changes specific to the residential, and office space real estate markets. Demand in the residential real estate market may be adversely affected by changes such as a decrease in disposable income or a rise in residential mortgage rates or a decline in the population. Demand for our office space developments may be adversely affected by deteriorating economic conditions that could prompt current and potential tenants to place any expansion plans on hold or to search for locations with lower rental rates.

13. *Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.*

We have in the past experienced, and may in the future, experience negative operating cash flows. The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

Particulars	Rs in Lacs	
	For the Financial Year ended	
	2022	2021
Net cash flow from/(used in) operating activities	(12.90)	2.81

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance, and results of operations could be materially and adversely affected.

For further information, see “Financial Statements” on pages 67.

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

Our performance and the quality and growth of our assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect our business. India’s economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting agriculture, commodity and energy prices or various other factors. In addition, the Indian economy is in a state of transition. The share of the services sector of the economy is rising while that of the industrial, manufacturing and agricultural sectors is declining. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business.

15. *We, on an ongoing basis, explore new construction techniques aimed at reducing costs, and/ or improving margins and/ or quality/ timelines of construction that are untested.*

We on an ongoing basis explore new construction techniques that are aimed at lowering our costs, and/ or improving our margins and/ or quality/ timelines of construction. A failure to implement such new construction techniques in time or at all may result in a material adverse effect of our business, financial condition and results of operations.

16. *Our business may be affected by severe weather conditions and other natural disasters*

Our business activities may be materially and adversely affected by severe weather conditions, which may force us to evacuate personnel or curtail services, replace damaged equipment and facilities or suspend our operations or postpone delivery of materials to our worksites. Heavy or sustained rainfalls or other extreme weather conditions such as cyclones could result in delays or disruptions to our operations during the critical periods of our projects and cause severe damages to our premises and equipment. High temperatures during summer months and the monsoon season could limit our ability to carry on construction activities or to fully utilize our resources. Our business activities may also be adversely affected by other natural disasters, including earthquakes, floods, and landslides, which may cause significant interruptions of our operations and damages to our properties and working environment which may not be adequately covered by the insurance policies availed by our Company. During periods of curtailed activity due to severe weather conditions or natural disasters, we may continue to incur operating expenses but our revenues from operations may be delayed or reduced.



- 17. *Our business is capital intensive and is significantly dependent on the availability of real estate financing in India by the constructors. Difficult conditions in the global capital markets and the global economy generally may adversely affect our business and results of operations and may cause us to experience limited availability of funds. We cannot assure you that we will be able to raise sufficient financing on acceptable terms, or at all.***

Our business is capital intensive, requiring substantial capital to develop our projects. The actual amount and timing of our future capital requirements may also differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our projects, changes in business plans due to prevailing economic conditions, unanticipated expenses, regulatory changes, and engineering design changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing, if available, could increase our interest cost and require us to comply with additional restrictive covenants in our financing agreements. In addition, the Indian regulations on construction and development projects impose significant restrictions on us, including the types of financing activities we may engage in. Our ability to obtain additional financing on favourable commercial terms, if at all, will depend on a number of factors, including:

- our results of operations and cash flows;
- the amount and terms of our existing indebtedness;
- general market conditions in the markets where we operate; and
- General condition of the debt and equity markets.

In addition, changes in the global and Indian credit and financial markets may affect the availability of credit to our customers and decrease in demand for our development.

Our inability to obtain funding on reasonable terms, or at all, would have an adverse effect on our business and results of operations.

- 18. *We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.***

We have entered into transactions with related parties in the past and are likely to do so in the future. For example, we have entered into various transactions, including loan availed by the company, managerial remuneration etc. For details, see Financial Statements “Related Party Transactions” on page 67. We cannot assure you that we could not achieve more favourable terms if such transactions were not entered into with related parties. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition.

- 19. *We are subject to extensive statutory or governmental regulations, which may restrict our flexibility in operating our business and any non-compliance may have an adverse effect on our business, financial condition and results of operations.***

Development of real estate projects is subject to extensive local, state and central laws and regulations that govern the development of and construction on land, including laws and regulations related to zoning, permitted land uses, proportion and use of open spaces, building designs, fire safety standards, height of the buildings, access to water and other utilities and water and waste disposal. In addition, we and our sub-contractors are subject to laws and regulations relating to, among others, environmental approvals in respect of the project, minimum wages, working hours, health and safety of our labourers and requirements of registration of contract labour. Although we believe that our contractual arrangements are substantially in compliance with such laws and regulations, statutory authorities may allege noncompliance and we cannot assure you that we will not be subject to any such regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. In addition, such laws and regulations may change in future requiring the expenditure of resources and changes in development plan amongst other things, which would adversely affect our business, financial conditions and results of operations.

The laws and regulations, under which we and our subcontractors operate, may result in delays or stoppage in construction and development, causing us to incur substantial compliance costs and other increased costs, and prohibit or severely restrict our real estate and construction businesses. If we are unable to continue to acquire, construct and develop land and deliver products as a result of these restrictions or if our compliance costs increase substantially, our business, financial condition and results of operations may be adversely affected.

**20. *If the constructors, do not comply with certain environmental regulations or if environmental problems are discovered in respect of certain of our projects, it may adversely affect our business, financial condition and results of operations.***

The construction of projects is subject to extensive environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in. Such laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act 1974 and other regulations promulgated by the Ministry of Environment and the Pollution Control Boards of the relevant states. Further, in accordance with such laws, the constructors are required to conduct an environmental assessment on most of our projects before we receive a regulatory approval. In case such environmental assessments reveal material environmental risks, the constructors may not receive the required regulatory approvals, which would ultimately affect our business, financial condition and results of operations.

**21. *Accidents at the residential projects arising due to construction faults may lead to public liability consequences.***

We take due care and all possible steps to ensure adoption and compliance with high standards of safety, construction quality and fire control in our residential projects, but we cannot assure you that these mechanisms will be adequate to contain safety risks that may arise in the future. Further the company does not take commercial General Liability Insurance. If any unwarranted incident / Accident happen, there may be liability on the company and it may affect the business & cash flow of the company.

**22. *We may be affected by inadequate health and safety precautions in India.***

In developing countries, such as India, health and safety standards on construction sites may not be applied as stringently as in industrialized countries. Construction companies in India remains, however, subject to various health and safety laws and regulations as well as laws and regulations governing our relationship with our employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and terminating employees, contract labor and work permits. Accidents and, in particular, fatalities may have an adverse impact on our reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependents.

**23. *Our performance is subject to seasonality and revenue may fluctuate significantly from period to period.***

Our revenue from these construction activities may fluctuate significantly due to a variety of factors. Moreover, due to occasional lags in development timetables caused by unforeseen circumstances, we cannot predict with certainty when our real estate projects will be completed. Our results of operations may also fluctuate from period to period due to a combination of other factors beyond our control, including volatility in expenses such as costs to acquire land or development rights and construction costs. We may experience cash flow mismatches and difficulties in covering our operating costs, which may adversely affect our business, financial condition, results of operations and our ability to fund future projects.

As a result of one or more of these factors, we may record significantly higher turnover or profits during one accounting period and significantly lower turnover or profits during prior or subsequent accounting periods. Furthermore, the periods discussed in our financial statements may not be comparable to each other or to other future periods, and our results of operations and cash flows may vary significantly from period to period, year to year, and over time.

24. ***We are dependent on a number of key personnel, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are highly dependent on our Key Managerial Personnel for setting our strategic business direction and managing our business. Our Managing Director and certain other Key Managerial Personnel have extensive experience in the real estate development sector. For further information, see “Our Management – Key Management Personnel” on page 64. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel in our industry, competition for senior management is intense. The loss of the services of our Key Managerial Personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

#### ***External Risk Factors***

25. ***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 has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of the 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 Government has in recent years sought to implement economic reforms and the current government has implemented policies and undertaken initiatives that continue the economic liberalization policies pursued by previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change and specific laws and policies affecting the road infrastructure sector, foreign investment and other matters affecting investment in our securities could change as well. A newly elected government may announce new policies or withdraw existing benefits, which may be applicable to our industry. 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.

26. ***Our business faces adverse weather conditions and natural disasters that could cause significant interruptions of operations which leads to delay in completion of projects undertaken by us within the stipulated time leading to cost escalation or termination of the project, which in turn could adversely affect our results of operations. Further, the operation of infrastructure assets involves many risks and we may not have sufficient insurance coverage in respect of our economic losses which could adversely affect our financial results.***

Extended periods of adverse weather conditions or periods of heavy or sustained rainfall or any such extreme weather condition could result in delays or disruptions to our operations during critical periods and consequently result in reduced sales and profits. The procurement and construction works carried out in respect of our projects also involve a number of hazards including earthquakes, flooding, and landslides. Natural disasters may cause significant interruption to our operations, disruption to our properties and damage to the environment that could have an adverse impact on us.

Additionally, operating infrastructure assets involves many risks and hazards which may adversely affect our profitability, including:

- adverse changes in market demand or prices for the products or services that the project, when
- the willingness and ability of consumers to pay for infrastructure services.
- shortages of or adverse price movements for construction materials.
- design and engineering defects.
- breakdown, failure or substandard performance of equipment.
- temporary non-availability of machines and equipment
- improper installation or operation of equipment.
- labour disturbances.
- environmental hazards.

- industrial accidents; and
- terrorist activities.

Not all of the above risks may be insurable or possible to insure on commercially reasonable terms. We maintain insurance coverage, including business interruption insurance with respect to each of our operating road projects, which we believe is customary for the infrastructure industries in India and jurisdictions in which we operate. Our insurance, however, may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. For example, the insurance policies for our road projects do not cover losses caused by our failure to maintain such roads to agreed standards. We cannot assure you that the operation of our infrastructure assets will not be affected by any of the incidents and hazards listed above, or that the terms of our insurance policies will be adequate to cover any damage caused by any such incidents and hazards. Should an uninsured loss or a loss in excess of insured limits occur, we would lose the anticipated revenue from the construction contract and, in the case of our projects, the loss of our investment in the relevant project company.

**27. *We face labour risks, including potential increases in labour costs.***

We operate in a labour - intensive industry and we or our contractors hire casual labour to work on our projects. In the event of a labour dispute, if our contractors are unable to successfully negotiate with the workmen or sub-contractors, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. It may also be difficult to procure the required skilled workers for existing or future projects. Either of these factors could adversely affect our business, financial condition, results of operations and cash flows. In addition, we may be liable for or exposed to sanctions, penalties or losses arising from accidents or damages caused by our workers or contractors.

**28. *Our operations and the work force on our development sites are exposed to various hazards.***

We conduct various site studies prior to the acquisition of any parcel of land and its construction and development. However, there are certain unanticipated or unforeseen risks that may arise due to adverse weather and geological conditions, such as storms, outbreaks of disease, hurricanes, lightning, floods, landslides, rockslides and earthquakes and other reasons. Additionally, our operations are subject to hazards inherent in providing these services, such as the risk of equipment failure, impact from falling objects, collision, work-related accidents, fire, or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. If any one of these hazards or other hazards were to affect our business, our results of operations may be adversely affected. Moreover, any injury to or loss of life of the workers employed on our construction sites may expose us to liability and / or compensation claims.

**29. *The real estate industry has witnessed significant downturns in the past, and any significant downturn in the future could adversely affect our business, financial condition and results of operations.***

Economic developments within and outside India adversely affected the property market in India and our overall business in the recent past. The global credit markets have experienced, and may continue to experience, significant volatility and may continue to have an adverse effect on the availability of credit and the confidence of the financial markets, globally as well as in India. As a result of the global downturn, the real estate industry also experienced a downturn. It resulted in an industry-wide softening of demand for property due to a lack of consumer confidence, decreased affordability, decreased availability of mortgage financing, and resulted in large supplies of apartments.

Even though the global credit and the Indian real estate markets have shown signs of recovery, market volatility and economic turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in the real estate industry. These effects include, but are not limited to, a decrease in the sale of, or market rates for, our projects, delays in the release of certain of our projects in order to take advantage of future periods of more robust real estate demand and the inability of our contractors to obtain working capital. We cannot assure you that the government's responses to the disruptions in the financial markets will restore consumer

confidence, stabilise the real estate market or increase liquidity and availability of credit. Any significant downturn in future would have an adverse effect on our business, financial condition and results of operations.

**30. *Restrictions on foreign direct investment ("FDI") in the real estate sector may hamper our ability to raise additional capital.***

The Government of India permits FDI of up to 100.00% in construction-development projects (which would include, amongst others, development of townships, construction of residential/commercial premises, hotels, resorts, recreational facilities), without prior approval, subject to certain conditions being fulfilled. These conditions relate, among other things, to the minimum area to be developed under a project, minimum capitalization, restrictions on repatriation and the time within which a project is required to be developed. Our inability to raise additional capital, through FDI, as a result of these and other restrictions could adversely affect our business and prospects. Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from such sale of shares in India into foreign currency and repatriate that foreign currency from India will require the approval from the RBI, unless such sale is made on a stock exchange in India through a stock broker at the market price, and a no objection or tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

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

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Central Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We do not have any outstanding notices in relation to non-compliance with the Competition Act or the agreements entered into by us.

However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business.

**32. *Companies operating in India are subject to a variety of central and State Government taxes and surcharges. Any increases in tax rates could adversely affect our business and results of operations.***

Tax and other levies imposed by the Central and State Governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The Central or State Government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

***Risks Related to the Issue***

**33. *Our Company will not distribute the Offer Documents to certain overseas shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch the Offer Documents to such shareholders who have provided an address in India for the service of documents or who are in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Offer Documents will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

**34. *There is no public market for the Rights Equity Shares or Equity Shares outside India.***

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. In addition, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these Equity Shares till they are credited to the holders' account as fully paid-up, and thereafter there will also be no public market for the Rights Equity Shares outside of India. We cannot assure you that the face value of the Rights Equity Shares will correspond to the price at which the Rights Equity Shares will trade subsequent to this Issue. This may also affect the liquidity of our Rights Equity Shares and Equity Shares and restrict your ability to sell them.

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

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



**36. *Non-receipt of complete Call Money(ies) may have an impact of a consequential shortfall in Net Proceeds.***

The Calls shall be deemed to have been made at the time when the resolution authorizing such calls is passed at the meeting of our Board of Directors. The Calls may be revoked or postponed at the discretion of our Board of Directors, from time to time. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 30 (Thirty) days' notice for the payment of the Calls. Our Board of Directors may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion, may send reminders for the calls as it deems fit, and if it does not receive the Call Money(ies) as per the timelines stipulated, it would forfeit the Application Money. Non-receipt of complete Call Money(ies) and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact the business and capital expenditure plans. For further details, please refer to the section titled '*Objects of the Issue*' on page 18 of this Letter of Offer .

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

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

**38. *Investment in Rights Equity Shares is exposed to certain risks. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Furthermore, the Rights Equity Shares will not be traded with effect from the Call Record Date for the final call fixed for the determination of the Investors liable to pay Call Monies, as determined by our Board of Directors or Rights Issue Committee at its sole discretion, from time to time. The holders of the Rights Equity Shares will not be able to trade in these securities till they are credited to the holders' account as fully paid-up. Furthermore, until the subsistence of Rights Equity Shares, we may not be able to undertake certain forms of equity capital raising.***

The Issue Price is ₹18.00/- (Rupees Eighteen Only) per Rights Equity Share. Investors will have to pay ₹ 4.50/- (Rupees Four and Fifty Paise Only) per Rights Equity Shares which constitutes 25.00% ( Twenty Five Percent) of the Issue Price on Application and the balance ₹13.50/- (Rupees Thirteen and Fifty Paise Only) per Rights Equity Shares which constitutes 75% (Seventy Five Percent) of the Issue Price on one or more subsequent Call(s), as determined by our Company's Board of Directors at its sole discretion, from time to time. The Rights Equity Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Rights Equity Shares. This may affect the liquidity of the Rights Equity Shares and restrict your ability to sell them.

If our Company does not receive the Call Money from the Rights Equity Shareholders (including the Promoters and members of Promoter Group of our Company) as per the timelines stipulated in the Call notice, unless extended by our Board, the defaulting Rights Equity Shareholders (including the Promoters and members of Promoter Group of our Company) will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made, in accordance with the Companies Act, 2013 and our Company's Articles of Association. For further details, please refer to the section titled '*Terms of the Issue*' on page 110 of this Letter of Offer . Rights Equity Shareholders are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll) by investors shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company. If certain investors do not pay the full amount, we may not be able to raise the amount proposed under this Issue.

The ISIN representing partly paid-up Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call-in respect of the partly paid-up Rights Equity Shares, such partly paid-up Rights Equity Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN 'INE185U01035' for our fully paid-up Equity Shares. Our Company would fix a Call Record Date for the purpose

of determining the list of allottees to whom the notice for the final Call would be sent. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Equity Shares would be suspended for an applicable period under the applicable law. Further, with effect from the Call Record Date, trading in the partly paid-up Equity Shares for which final Call have been made, would be suspended prior to the Call Record Date, for such period as may be applicable under the rules and regulations. Furthermore, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these shares until they are credited to the holders' account as fully paid-up Rights Equity Shares. Similarly, for an applicable period, from the Call Record Date for each Call, the trading of the Rights Equity Shares would be suspended under the applicable law.

Further, there is little history of trading of partly paid-up shares in India and therefore there could be less liquidity in this segment, which may cause the price of the Rights Equity Shares to fall and may limit ability of Investors to sell the Rights Equity Shares. There may also be a risk of the Rights Equity Shares not forming part of the index.

Further, until the subsistence of Rights Equity Shares, we cannot undertake further rights issues, further public offers, or bonus issues. In terms of Regulations 62 and 104 of the SEBI (ICDR) Regulations, an issuer making a rights issue or further public offer is required to ensure that all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited. Additionally, a bonus issue will not be permitted under law till the subsistence of partly paid-up equity shares in terms of Regulation 293 of the SEBI (ICDR) Regulations.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to long-term capital gains tax in India if Securities Transaction Tax (STT) is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the GoI under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Act, 2018, taxes such long term capital gains exceeding ₹1 lakh arising from sale of equity shares on or after April 1, 2018. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

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

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. We cannot assure you that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

- 41. *Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of the Equity Shares and except the pending transfers).

For details, refer chapter titled “Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 110 of this Letter of Offer.

- 42. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI (ICDR) Regulations, the Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant’s decision to invest in the Issue Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Issue Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

- 43. *Your ability to acquire and sell the Issue Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Letter of Offer.***

No actions have been taken to permit an offering of the Issue Shares in the Issue in any jurisdiction except India. As such, our Issue Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, your ability to acquire Issue Shares is restricted by the distribution and solicitation restrictions set forth in this Letter of Offer. For further information, please refer to the chapters entitled ‘Notice to Overseas Investors’, ‘Other Regulatory and Statutory Disclosures’ and ‘Restrictions on Foreign Ownership of Indian Securities’ on pages 13, 104, and 143 respectively. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Issue Shares made other than in compliance with applicable law.

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

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

**45. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Prices of listed securities are subject to volatility linked among other factors to the uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

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

The Issue Price of Rights Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- changes in revenue or earnings estimates or publication of research reports by analysts;
- speculation in the press or investment community;
- general market conditions; and,
- domestic and international economic, legal and regulatory factors unrelated to our performance.

**47. *There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Rights Equity Shares will not be granted until after those Rights Equity Shares have been issued and allotted. In addition, we are required to deliver the Letter of Offer to SEBI and the Stock Exchanges under the applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. The trading approvals shall be granted subject to the submission of all other relevant documents authorizing the issuing of Rights Equity Shares. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares. Further, a closure of, or trading stoppage on the Stock Exchanges could adversely affect the trading price of the Equity Shares.

## SECTION IV – INTRODUCTION

### THE ISSUE

This Issue has been authorized by way of a resolution passed by our Board of Directors on September 12, 2023, February 24, 2023 and May 15, 2023, in pursuance of Section 62(1)(a) of the Companies Act, 2013.

<b>Equity Shares outstanding prior to the Issue</b>	1,00,00,000 (One Crore) Equity Shares
<b>Rights Equity Shares offered in the Issue</b>	2,71,42,857 Rights Shares
<b>Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	3,71,42,857 Equity Shares
<b>Rights Entitlement</b>	19 Rights Shares for every 7 fully paid-up Equity Shares held on the Record Date
<b>Record Date</b>	Friday, May 19, 2023
<b>Face Value per Equity Share</b>	₹1.00/- (Rupee One Only) each
<b>Issue Price per Equity Share</b>	₹ 18/- including a Premium of ₹ 17/- Per Rights Equity Share.
<b>Issue Size (Assuming full subscription for the Issue)</b>	Up to ₹48,85,71,426 (Rupees Forty-Eight Crores Eighty-Five Lakhs Seventy-One Thousand Four Hundred And Twenty Six Only), assuming full subscription and receipt of all Call Monies with respect to Rights Shares. On Application, Investors will have to pay ₹4.50/- (Rupees Four and Fifty Paise Only) per Rights Equity Share, which constitutes 25% (Twenty Five Percent) of the Issue Price and the balance ₹13.50/- (Rupees Thirteen and Fifty Paise only) per Rights Share which constitutes 75% (Seventy Five Percent) of the Issue Price, will have to be paid, on one or more additional calls as may be decided by the Board/ Committee of the Board from time to time
<b>Fractional Entitlement</b>	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 7 (Seven) Equity Shares or is not in multiples of Seven (Seven), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
<b>Terms of the Issue</b>	Please refer to the section titled ‘ <i>Terms of the Issue</i> ’ beginning on page 110 of this Letter of Offer.
<b>Use of Issue Proceeds</b>	Please refer to the section titled ‘ <i>Objects of the Issue</i> ’ beginning on page 46 of this Letter of Offer.
<b>Security Code/ Scrip Details</b>	ISIN: INE185U01035; BSE Scrip ID: 540696; BSE Scrip Code: KCDGROUP ISIN for Rights Entitlements: INE185U20019 <b>ISIN for Partly Paid-Up Shares: IN9185U01017</b>

*\*For Right Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Shareholders is less than 7 Equity Shares or is not in multiples of 7, the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of 1 (One) additional Rights*

*Equity Share each, if such Eligible Shareholders have applied for additional Rights Shares over and above their Rights Entitlements;*

#### **TERMS OF PAYMENT**

<b>Amount payable per Rights Shares</b>	<b>Face Value</b>	<b>Premium</b>	<b>Total</b>
On Application	₹0.25	₹4.25	₹4.50*
On One or more subsequent Call(s) as determined by our Board/ Committee at its sole discretion, from time to time*	₹0.75	₹12.75	₹13.50**
<b>Total</b>	<b>₹1.00/-</b>	<b>₹17.00/-</b>	<b>₹18.00/-/-</b>

*\*Constitutes 25 % of the Issue Price.*

*\*\*Constitutes 75 % of the Issue Price.*

#### **ISSUE SCHEDULE**

<b>Issue Opening Date</b>	Wednesday, May 31, 2023
<b>Last date for On Market Renunciation of Rights Entitlement</b>	Friday, June 9, 2023
<b>Issue Closing Date</b>	Wednesday, June 14, 2023

## GENERAL INFORMATION

Our Company was incorporated in the name of “Ruchika Electronics Limited” on 25<sup>th</sup> May 1985 under the Companies Act, 1956 within the jurisdiction of Registrar of Companies, Delhi & Haryana. The Name of the Company was changed to “Ruchika Industries India Limited” vide RoC Certificate dated 23<sup>rd</sup> November 2001. Afterwards to “KCD Industries India Limited” vide RoC certificate dated 4<sup>th</sup> October 2019. Please see section titled “General Information” and “Business Overview” on page no 39 and 71, respectively.

### REGISTERED OFFICE AND CORPORATE OFFICE OF OUR COMPANY

<b>Company</b>	KCD Industries India Limited
<b>Registered Office Address</b>	501, 5 <sup>th</sup> Floor, Ruby Crescent Business Boulevard, Ashok Chakravati Road, Kandivali (East), Mumbai – 400 101
<b>Contact Details</b>	+91 7715954966;
<b>Email-ID</b>	compliance@kcdindustries.com
<b>Website</b>	http://www.kcdindustries.com/
<b>Corporate Identification Number</b>	L70100MH1985PLC301881
<b>Registration Number</b>	301881

### ADDRESS OF THE REGISTRAR OF COMPANIES

#### Registrar of Companies, Maharashtra, Mumbai

100, Everest Building, Netaji Subhash Road, Marine Dr, Mumbai - 400002, Maharashtra, India

### BOARD OF DIRECTORS

Name	Age	Designation	DIN	Address
Mr. Arun Kuttan	51 Years	Chairman & Non-executive Director	09844434	B-18, Shree Ajay Building, Opp. Blue Bell Building, Jankalyan Nagar, Malad (West), Mumbai – 400 095
Mr. Rajiv Chadulal Darji	46 Years	Managing Director & Chief Financial Officer	02088219	B 3504, Oberoi Esquire, Off. Western Express Highway, Oberoi Garden City, Dindoshi, Goregaon (East), Mumbai – 400063
Mr. Sagar Shetty	46 Years	Non-executive Director	09213119	A/204, Gokul Nagar, No. 2, Western Express Highway, Near Dattani Park, Kandivali, Mumbai – 400 101
Mr. Pratik Mukesh Popat	33 Years	Independent Director	08415025	B-202, Dhanesha Niwas, S.V.Road, Kandivali (West), Mumbai – 400 067
Mrs. Minal Darshan Panchal	36 Years	Independent Director	08415023	Flat No. 903, Divya Gunjan, Bandar Pakhadi Road, Ganesh Chowk, Charkop, Near Gaurav Garden, Kandivali (West), Mumbai – 400 067

For further details of our Board of Directors, please refer to the section titled ‘*Our Management*’ beginning on page 64 of this Letter of Offer.

<b>Company Secretary</b>	<b>Chief Financial Officer</b>
<b>Mr. Pankaj Yadav</b> <b>Add:</b> 501, 5th Floor, Ruby Crescent Business Boulevard, Ashok Chakravati Road, Kandivali (East), Mumbai – 400 101. <b>Email:</b> <a href="mailto:compliance@kcdindustries.com">compliance@kcdindustries.com</a> <b>Contact No.:</b> +91 77159 54966	<b>Mr. Rajiv Darji</b> <b>Add:</b> 501, 5th Floor, Ruby Crescent Business Boulevard, Ashok Chakravati Road, Kandivali (East), Mumbai – 400 101. <b>Email:</b> <a href="mailto:compliance@kcdindustries.com">compliance@kcdindustries.com</a> <b>Contact No.:</b> +91 77159 54966
<b>Statutory Auditors</b>	<b>Registrar to the Issue/ Registrar and Share Transfer Agent</b>
<b>M/s. Sayed and Associates</b> Chartered Accountants <b>Add:</b> C-2/19, N.G. Estate CHSL, Opp. Reliance Petrol Pump, Mira Bhayander Road, Above Vodafone Gallery, Mira Road, (East), Thane – 401107. <b>Email:</b> <a href="mailto:sayedandassociates@gmail.com">sayedandassociates@gmail.com</a> <b>Contact No.:</b> 9773584128	<b>Skyline Financial Services Pvt. Ltd.</b> <b>SEBI Registration No.:</b> INR000003241 <b>Contact person:</b> Mr. Anuj Rana <b>Add:</b> D-153, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase - 1, New Delhi – 110 020. <b>Phone:</b> 011-40450194/195/196 <b>Email:</b> <a href="mailto:info@skylinerta.com">info@skylinerta.com</a> <b>Website:</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a>
<b>Advisor to the Issue</b>	<b>Banker to the Issue and Refund Banker</b>
<b>Swaraj Shares and Securities Private Limited</b> <b>Registered Office:</b> 21 Hemant Basu Sarani, 5 <sup>th</sup> Floor. Room No 507, Kolkata - 700001, West Bengal, India <b>Branch Office:</b> Unit No 304, A Wing, 215 Atrium Courtyard Marriot, Andheri East, Mumbai-400093, Maharashtra, India <b>Contact Person:</b> Tanmoy Banerjee/ Pankita Patel <b>Contact Number:</b> +91-22-69649999 <b>E-mail ID:</b> <a href="mailto:tanmoy@swarajshares.com">tanmoy@swarajshares.com</a> / <a href="mailto:pankita@swarajshares.com">pankita@swarajshares.com</a>	<b>Kotak Mahindra Bank Limited</b> <b>Add:</b> Kotak Infiniti, 5 <sup>th</sup> Floor, Zone 2 Building No. 21, Infinity Park, Off Western Express Highway, General AK Vaidya Marg, Malad (E), Mumbai, Maharashtra - 400097. <b>Contact Person:</b> Mr. Siddhesh Shirodkar <b>E-mail ID:</b> <a href="mailto:cmsipo@kotak.com">cmsipo@kotak.com</a> <b>Contact Details:</b> 022-66056603 <b>Website:</b> <a href="http://www.kotak.com">www.kotak.com</a>
<b>Banker to our Company</b>	
<b>Kotak Mahindra Bank Limited</b> <b>Add:</b> Kotak Infiniti, 5 <sup>th</sup> Floor, Zone 2 Building No. 21, Infinity Park, Off Western Express Highway, General AK Vaidya Marg, Malad (E), Mumbai, Maharashtra - 400097. <b>Contact Person:</b> Mr. Siddhesh Shirodkar <b>E-mail ID:</b> <a href="mailto:cmsipo@kotak.com">cmsipo@kotak.com</a> <b>Contact Details:</b> 022-66056603 <b>Website:</b> <a href="http://www.kotak.com">www.kotak.com</a>	

## CONTACT PERSON FOR GRIEVANCES RELATING TO ISSUE RELATED MATTER

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' beginning on page 110 of this Letter of Offer.



## EXPERT

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

Our Company has received a written consent from our Statutory Auditors, M/s Sayed and Associates, Chartered Accountants, to include their name in this Letter of Offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated August 2, 2022, included in this Letter of Offer, and such consent has not been withdrawn as of the date of this Letter of Offer .

## SELF-CERTIFIED SYNDICATE BANKS

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

## ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

<b>Last Date for credit of Rights Entitlements</b>	Thursday, May 25, 2023
<b>Issue Opening Date</b>	Wednesday, May 31, 2023
<b>Last Date for On Market Renunciation of Rights Entitlements</b>	Friday, June 9, 2023
<b>Issue Closing Date*</b>	Wednesday, June 14, 2023
<b>Finalization of Basis of Allotment (on or about)</b>	Wednesday June 21, 2023
<b>Date of Allotment (on or about)</b>	Wednesday June 21, 2023
<b>Date of credit (on or about)</b>	Friday, June 23, 2023
<b>Date of listing/Trading (on or about)</b>	Thursday, June 29, 2023

*Note:*

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

*The above schedule is indicative and does not constitute any obligation on our Company.*

Please note that if Eligible Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., Monday, June 12, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., Tuesday, June 13, 2023.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled '**Terms of the Issue**' beginning on page 110 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at [www.skylinerta.com](http://www.skylinerta.com) after keying in their respective details along with other security control measures implemented there at. For further details, please refer to

the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Shareholders' under the section titled '*Terms of the Issue*' beginning on page 110 of this Letter of Offer.

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

#### **CREDIT RATING**

As this proposed Issue is of Right Shares, the appointment of a credit rating agency is not required.

#### **DEBENTURE TRUSTEE**

As this proposed Issue is of Right Shares, the appointment of debenture trustee is not required.

#### **MONITORING AGENCY**

Since the Issue size does not exceed ₹10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulation.

#### **APPRAISING ENTITY**

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

#### **UNDERWRITING**

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

#### **FILING**

Since the size of this Issue falls under the threshold of ₹50,00,00,000.00/- (Rupees Fifty Crores Only), the Letter of Offer had been filed with the Stock Exchanges and will not be filed with SEBI. However, a copy of the Letter of Offer shall be submitted with SEBI for information and dissemination and will be filed with the BSE Limited.

#### **MINIMUM SUBSCRIPTION**

This issue is subject to being in receipt of 90.00% (Ninety Percent) of the Equity Shares being offered under this issue, on an aggregate basis. If our Company does not receive the minimum subscription of 90.00% (Ninety Percent), our Company shall refund the entire subscription amount, not later than 4 (Four) days from the closure of the Issue. In the event there is a delay in unblocking of ASBA beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of the Letter of Offer prior to and after the proposed Issue, is set forth below:

Sr. No.	Particulars	Aggregate Nominal Value (₹ in Lakhs)	Aggregate Value at Issuer Price (₹ in Lakhs)
A	<b>Authorised Share Capital</b>		
	12,00,00,000 (Twelve Crores) Equity Shares	1,200.00	1,200.00
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Rights Issue</b>		
	1,00,00,000 (One Crore) Equity Shares each fully paid up before the issue	100.00	100.00
C	<b>Present Rights Issue in terms of this Letter of Offer</b>		
	Issue up to 2,71,42,857 Partly Paid up Equity Shares at an Issue Price of face value ₹ 1 each at price of ₹ 18 including the premium of ₹ 17/- per Equity Share	271.42	4,885.71
D	<b>Issued, Subscribed and Paid-Up Share Capital After the Issue</b>		
	3,71,42,857 fully paid-up Equity Shares of face value ₹ 1.00/- each Including Premium of ₹ 17	371.42	4,985.71
	Upto 2,71,42,857 Partly Paid-up Equity Shares of face value of ₹ 1.00/- each Including premium of ₹ 17 (₹ 4.50/- Partly Paid on Application)	67.86	1221.42
E	<b>Securities Premium Account</b>		
	Before the Issue	-	
	After the Issue	1153.57	
	After all Calls made in respect of Rights Shares	4614.28	

**Assuming full subscription for allotment of Rights Equity Shares.**

*Note: The present Rights Issue has been authorised by our Board of Directors pursuant to the resolution passed in their meeting conducted on September 10, 2022.*

- (a) *On Application, Investors will have to pay ₹ 4.50 (Rupees Four and Fifty Paise) per Rights Equity Share, which constitutes 25% (Twenty Five Percent) of the Issue Price and the balance ₹13.50 (Rupees Thirteen and Fifty Paise) per Rights Equity Share, which constitutes 75% (Seventy Five Percent) of the Issue Price, will have to be paid, in one or more calls as may be decided by the Board/ Committee of the Board from time to time.*
- (b) *Assuming full subscription and receipt of all call monies with respect to Rights Shares;*
- (c) *As per Financial Statements for the half-year ending September 30, 2022;*
- (d) *Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;*
- (e) *Assuming full payment of all Call Monies by holders of Rights Shares.*

## NOTES TO THE CAPITAL STRUCTURE

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer.
2. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time
3. As on the date of this Letter of Offer, our Company has not issued any special voting rights equity shares and there are no outstanding Equity Shares having special voting rights.
4. The ex-rights price arrived in accordance with the formula prescribed under clause (b) of Sub-Regulation 4 of Regulation 10 of the SEBI (SAST) Regulations, in connection with the Issue is ₹ 18.91 (Rupees Eighteen Paise Ninety One Only).

**5. Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible later into Equity Shares**

As on the date of this Letter of Offer, our Company does not have any other outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

**6. Details of stock option scheme of our Company**

As on the date of this Letter of Offer, our Company does not have a stock option scheme.

**7. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**

As on the date of this Letter of Offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered.

**8. Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Letter of Offer**

None of the members of the Promoter and Promoter Group of the Company have acquired any Equity Shares in the last one year prior to the filing of this Letter of Offer, Except the Equity shares acquired under the Bonus issue made by the company.

**9. Intention and participation by the promoter and promoter group**

The Promoter of our Company vide letter dated February 23, 2023, has confirmed that he may: (a) subscribe in part or to full extent of his Rights Entitlement in this Issue or may renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company, subject to compliance with the provisions Companies Act, the SEBI ICDR Regulations, the Takeover Regulations and other applicable laws/ regulations. The Promoter has acknowledged and undertaken that his investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

The allotment of Equity Shares of the Company subscribed by the Promoter in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Since, the Promoter has undertaken that, he shall not be applying for additional Rights Equity Shares, the said Issue shall not result in change of control of the management of the Company in accordance with provisions of the SEBI

(SAST) Regulations and shall be exempted subject to fulfilment of the conditions of Regulation 10 of the SEBI (SAST) Regulations.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

**10. Shareholding Pattern of our company**

- a) The shareholding pattern of our Company as on December 31, 2022, is as follows:

Particulars	BSE Limited's URL
Summary statement holding of specified securities	<a href="https://www.bseindia.com/stock-share-price/kcd-industries-india-ltd/kcdgroup/540696/shareholding-pattern/">https://www.bseindia.com/stock-share-price/kcd-industries-india-ltd/kcdgroup/540696/shareholding-pattern/</a>
Statement showing shareholding pattern of the Promoter and Promoter Group	
Statement showing shareholding pattern of the Public shareholder	
Statement showing shareholding pattern of the Non-Promoter- Non-Public shareholder	
Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the company.	

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. Working capital requirement
2. General corporate purpose
3. To meet Issue Expenses

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

### ISSUE PROCEEDS

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

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue	₹4,885.71
Less: Estimated Issue related Expenses	(₹25.51)
<b>Net Proceeds from the Issue</b>	<b>₹4,860.20</b>

# Assuming full subscription and allotment

*\*The Issue size will not exceed ₹4,900.00 (Rupees Forty-Nine Crores Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

### REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Working Capital requirement	₹3,900.00
2.	General Corporate purpose	₹960.20
	<b>Total Net Proceeds</b>	<b>₹4,860.20</b>

### MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

## DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

### 1. Working capital purposes.

Our business is predominantly working capital intensive. Presently, we fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of estimation of our working capital requirement for the Financial Years ending March 31, 2022, and the projected estimates for the Financial Year ending March 31, 2023, and March 31, 2024, is provided in the table below:

Sr. No.	Particulars	Actual for the Financial Year ending March 31, 2022		Projected for the Financial Year ending March 31, 2023		Projected for the Financial Year ending March 31, 2024	
		Amount	Holding period (No. of days)	Amount	Holding period (No. of days)	Amount	Holding period (No. of days)
		(₹ in Lakhs)		(₹ in Lakhs)		(₹ in Lakhs)	
1.	<b>Current Assets</b>						
	Trade Receivables	16.04	90	419.18	90	4931.51	90
	Cash and Cash Equivalents	0.68		327.20		46.45	
	Inventory	91.03	60	229.15	60	1991.78	60
	Other Assets	517.66	30	48.98	30	54.36	30
	<b>Total Current Assets (1)</b>	<b>625.41</b>		<b>1024.50</b>		<b>7024.10</b>	
2.	<b>Current Liabilities</b>						
	Trade Payables	92.88	60	229.15	60	2991.78	60
	Short Term Provisions	190.99	30	189.95	30	132.32	30
	<b>Total Current Liabilities (2)</b>	<b>283.87</b>		<b>419.10</b>		<b>3124.10</b>	
3.	<b>Working Capital (1-2)</b>	<b>341.53</b>		<b>605.40</b>		<b>3900.00</b>	
4.	<b>Funding Pattern</b>						
	Working capital funding from banks	--	--	--	--		
	Net Proceeds from the Fresh Issue	--	--	--	--		
	Internal accruals	--	--	--	--		
	<b>Proceeds from proposed Rights Issue</b>	--	--	--	--	3,900	
	<b>Total</b>						

### Assumptions for working capital requirements

Particulars	Assumptions
Inventories	Inventories are expected to grow along with growth in our business. The days of Inventory was 60 days for FY 2022-23 (calculated as Inventory divided by Cost of Material Consumed). Our Company assumed days of inventory to be 60 days for FY 2024-25.
Trade receivables	Debtors Holding days were 90 days for the FY 2022. We expect Debtors Holding days to be at appx. 90 days for FY 2022-23, FY 2023-24 based on increased revenue from operation and better credit terms being given to our clients which will ensure faster receipts of payments from the clients.
Trade payables	The days of outstanding for trade payables was 30 days for the FY 2022. We have projected creditors payments days to be at 30 days for FY 2022-23, FY 2023-24 as the company is confident to negotiate better terms with its vendors.

## 2. General Corporate purposes

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

## 3. Expenses for the Issue

The Issue related expenses consist of fees payable to the Registrars to the Issue, processing fee to the SCSBs, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Right Shares on the Stock Exchange. Our Company will need approximately ₹1,00,00,000.00/- (Rupees One Crores Only) towards these expenses, a break-up of the same is as follows:

Activity	Estimated Expense	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fee to the Registrar, other professional service providers and statutory fee	₹8.35/-	32.73	0.17
Fees payable to regulators, including depositories, Stock Exchange and SEBI	₹9.21/-	36.10	0.19
Statutory Advertising, Marketing, Printing and Distribution	₹6.30/-	24.70	0.13
Other expenses (including miscellaneous expenses and stamp duty)	₹1.65/-	6.47	0.03
<b>Total estimated Issue expenses*</b>	<b>₹25.51/-</b>	<b>100.00</b>	<b>0.52</b>

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

## SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

An Issue Price of ₹ 18/- (Rupees Eighteen Only) shall be payable by the public shareholders of the Company for the purpose of this Issue. Accordingly, our Company retains the right to utilize the Net Proceeds to meet the stated Objects. As and when our Company makes the calls for the balance monies with respect to the Rights Shares, our Company shall endeavour to utilize the proceeds raised from such calls within the same Financial Year as the receipt of the said call monies, failing which our Company shall utilize the said call monies in the subsequent Financial Years or by the re-payment dates as described in the 'Objects of the Issue'.

## SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

As on date, our Company has not deployed any funds towards '*Objects of the Issue*'.

## APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

## STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.



## **BRIDGE FINANCING FACILITIES**

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

## **INTERIM USE OF FUNDS**

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

## **MONITORING OF UTILIZATION OF FUNDS**

Since the proceeds from this Issue are less than ₹10,000 Lakhs, in terms of Regulation 41(1) of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Board of Directors of the Company would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to the Stock Exchange, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

## **VARIATION IN OBJECTS**

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the '*Postal Ballot Notice*') shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

## **KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE**

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

## **INTEREST OF PROMOTERS, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE**

The Promoter of our Company vide letter dated February 23, 2023, has confirmed that he may: (a) subscribe in part or to full extent of his Rights Entitlement in this Issue or may renounce a portion of their Rights Entitlements in favour of the Promoters or other member(s) of our Promoter Group or in favour of existing shareholders of the Company, subject to compliance with the provisions Companies Act, the SEBI ICDR Regulations, the Takeover Regulations and other applicable laws/ regulations. The Promoter has acknowledged and undertaken that his investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

The Promoter and the Directors do not have any interest in the Objects of the Issue.

## **OTHER CONFIRMATIONS**

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Group Companies, our Directors, or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
**KCD Industries India Limited,**  
501, 5<sup>th</sup> Floor, Ruby Crescent Business Boulevard,  
Ashok Chakravati Road, Kandivali (East),  
Mumbai – 400101, Maharashtra, India

Dear Sir,

**Subject: Proposed rights issue of equity shares of face value of ₹1.00/- (Rupee One only) ('Equity Shares') of KCD Industries India Limited ('Company' and such offering, the 'Issue')**

This certificate is issued in accordance with the terms of our engagement letter dated February 16, 2023.

The preparation of the Statement is the responsibility of the management of the Company for the 'Issue', including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

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

The Management of the Company has prepared 'Statement of possible special tax benefits' under direct tax laws i.e. Income Tax Rules, 1962 ('Income Tax Laws'), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India available to the Company and its shareholders.

The Company has requested us to confirm statement attached in the Annexure I and II, are available to the Company and its shareholders.

We hereby confirm that the enclosed Annexures, prepared by the Company, provides the possible special tax benefits available to the Company. The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

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

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

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

We hereby consent to the extracts of this certificate being used in the letter of offer / letter of offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this

certificate as may be necessary, to any regulatory authority in connection with the Issue and in accordance with applicable law.

This certificate may also be relied upon by the Company their affiliates and the legal counsel in relation to the Issue.

The above certificate shall not be used for any other purpose without our prior consent in writing and 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 certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

M/s. Sayed and Associates

**Chartered Accountants**

**Firm Registration Number: 133736W**

**Rehmat Ali Nazim Ali Sayed**

**Sd/-**

**Partner**

**Membership Number: 143094**

**UDIN: 23143094BGVQSI6838**

**Date: 24-02-2023**

Place: Mumbai

**Encl: As above**

## ANNEXURE I

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO KCD INDUSTRIES LIMITED ('COMPANY') AND ITS SHAREHOLDERS

**1. Under the Income Tax Act, 1961 ('Act')**

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

There are no special tax benefits available to the Company.

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

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

#### Notes

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares;
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. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23;
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company;
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile;
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

## ANNEXURE II

### STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO KCD INDUSTRIES INDIA LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. **Under the The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')**

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

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

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

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

#### Notes

1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;
4. 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;

## SECTION VI – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the equity shares. Before deciding to invest in the equity shares, prospective investors should read this Prospectus, including the information in “Business Overview” and “financial information” beginning on page 61 and 67, respectively of this Draft Prospectus. An investment in the equity shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the equity shares, see “risk factors” beginning on page 21 of this Draft Prospectus.

### GLOBAL ECONOMIC OVERVIEW

#### Introduction

Global growth is expected to decelerate sharply to 1.7 percent in 2023 the third weakest pace of growth in nearly three decades, overshadowed only by the global recessions caused by the pandemic and the global financial crisis. This is 1.3 percentage points below previous forecasts, reflecting synchronous policy tightening aimed at containing very high inflation, worsening financial conditions, and continued disruptions from Russia’s invasion of Ukraine. The United States, the euro area, and China are all undergoing a period of pronounced weakness, and the resulting spillovers are exacerbating other headwinds faced by emerging market and developing economies (EMDEs). The combination of slow growth, tightening financial conditions, and heavy indebtedness is likely to weaken investment and trigger corporate defaults. Further negative shocks such as higher inflation, even tighter policy, financial stress, deeper weakness in major economies, or rising geopolitical tensions could push the global economy into recession. In the near term, urgent global efforts are needed to mitigate the risks of global recession and debt distress in EMDEs. Given limited policy space, it is critical that national policy makers ensure that any fiscal support is focused on vulnerable groups, that inflation expectations remain well anchored, and that financial systems continue to be resilient. Policies are also needed to support a major increase in EMDE investment, which can help reverse the slowdown in long-term growth exacerbated by the overlapping shocks of the pandemic, the invasion of Ukraine, and the rapid tightening of global monetary policy. This will require new financing from the international community and from the repurposing of existing spending, such as inefficient agricultural and fuel subsidies.

EMDE growth: The forecast for growth in 2023 and 2024 combined has been downgraded for every EMDE region. Monetary policy tightening, and restrictive global financial conditions are slowing growth, especially in LAC, SAR and SSA. Persistently elevated energy prices are expected to dampen outlooks for energy importers in all regions, while falling metals prices will weigh on terms of trade in LAC and SSA. The projected slowdown in advanced economy import demand is expected to especially impact EAP and ECA. Added to the pandemic recession and incomplete recovery, the outlook implies feeble per capita income growth in LAC, MNA and SSA in the half decade to 2024. Risks to the baseline forecasts are skewed to the downside in all regions. They include the possibility of financial stress and greater spillovers from major advanced economy weakness (especially in EAP, ECA, LAC and SSA), commodity price shocks (especially in ECA, EAP and SAR), conflict (particularly in ECA, MNA, and SSA), and natural disasters (with elevated risk in subregions in EAP, LAC and SAR).

(Source: <https://www.worldbank.org/en/publication/global-economic-prospects>)

## INDIAN ECONOMY OVERVIEW

### Introduction

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

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

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. India has the second-largest road network in the world, spanning a total of 5.89 million kilometres (kms). This road network transports 64.5% of all goods in the country and 90% of India's total passenger traffic uses road network to commute. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns and villages in the country.

In India, sale of automobiles and movement of freight by roads is growing at a rapid rate.

Highway construction in India increased at 17.00% CAGR between FY16-FY21. Despite pandemic and lockdown, India has constructed 13,298 km of highways in FY21. Under the Union Budget 2022-23, the Government of India has allocated Rs. 199,107.71 crore (US\$ 26.04 billion) to the Ministry of Road Transport and Highways. In FY22 (until December), the Ministry of Road Transport and Highways constructed national highways extending 5,835 kms. In June 2021, the Ministry of Road Transport and Highways constructed 2,284 kms of national highways compared with 1,681 kms in June 2020.

In October 2020, the foundation stone was established for nine National Highway projects—with a total length of ~262 kms—worth >Rs. 2752 crore (US\$ 371.13 million) in Tripura.

The Government of India has allocated Rs. 111 lakh crore (US\$ 1.4 trillion) under the National Infrastructure Pipeline for FY 2019-25. The roads sector is likely to account for 18% capital expenditure over FY 2019-25.

In October 2020, the National Investment and Infrastructure Fund (NIIF) is making progress towards integrating its road and highway portfolio. The NIIF has acquired Essel Devanahalli Tollway and Essel Dichpally Tollway through the NIIF master fund. These road infra-projects will be supported by Athaang Infrastructure, NIIF's proprietary road network, assisted by a team of established professionals with diverse domain expertise in the transport field.

### 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 crore (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 crore (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.

### **Government Initiatives**

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

- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the

benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.

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

- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

### 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.

**Note:** Conversion rate used for December 2020 is Rs. 1 = US\$ 0.014

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

Some of the recent Government initiatives are as follows:

- NHAI plans to construct 25,000 kilometres of national highways in 2022-23 at a pace of 50 km per day.
- India's Gati Shakti program has consolidated a list of 81 high impact projects, out of which road infrastructure projects were the top priority. The major highway projects include the Delhi-Mumbai expressway (1,350 kilometres), Amritsar-Jamnagar expressway (1,257 kilometres) and Saharanpur-Dehradun expressway (210 kilometres). The main aim of this program is a faster approval process which can be done through the Gati shakti portal and digitized the approval process completely.
- In the Union Budget 2022-23, government has planned for an increase in allocation for the central road fund by 19%, the total fund was Rs. 2,95,150 crores (US\$ 38.86 million).
- As of March 2022, the government plans to spend Rs. 10,565 crore (US\$ 1.38 billion) on the Trans-Arunachal Highway and Kaladan Multi-Model Transport Project, as well as other roads development projects such as capital connectivity, district connectivity, connectivity to the international border, and improvement and strengthening of roads in the region of Sikkim.
- The Indian government launched Gati Shakti-National Master Plan, which will help lead a holistic and integrated development of infrastructure generating immense employment opportunities in the country.
- In October 2021, the government issued a notice related to concessions under the Vehicle Scrapping Policy (effective from April 2022) to encourage vehicle owners towards discarding old vehicles which have higher fuel consumption costs.
- In October 2021, the government launched a conversion project for 15 major roads in the Agartala smart city, the project will convert these roads to weather-resilient ones, and further strengthen development of the region.
- In October 2021, the government announced rules to improve road safety, such as fixed driving hours for commercial truck drivers and a mandate to install sleep detection sensors in commercial vehicles.
- In FY22 (until October), the Ministry of Road Transport and Highways constructed national highways extending 4,450 kms compared with 4,956 kms in FY21 (until October).
- In October 2021, the government announced a plan to install charging stations every 40 to 60 kilometres on national highways to strengthen wayside amenities; in line with this, ~700 e-vehicle charging stations are expected to be installed by 2023, covering 35,000 to 40,000 kms of national highways.
- In September 2021, the Ministry of Road Transport and Highways constructed national highways extending 3,824 kms compared with 3,335 kms in August 2021.
- To transform road infrastructure in Punjab, Haryana and Rajasthan, the Indian government has planned to construct roads extending 313 kms for Rs. 11,000 crore (US\$ 1.48 billion).
- In September 2021, the Indian government announced road projects worth Rs. 1 lakh crore (US\$ 13.48 billion) to develop road infrastructure in Jammu and Kashmir. The region has also witnessed growth in national highways, from 7 in 2014 to 11 in 2021.
- In September 2021, the Ministry of Road Transport and Highways allocated Rs. 7,270 crore (US\$ 980.9 million) for road safety programmes in 14 states that constitute 85% of the total road fatalities in India.
- Under Phase-I of Bharatmala Pariyojana, the Ministry has approved implementation of 34,800 km of national highways in 5 years with an outlay of Rs. 5,35,000 crore (US\$ 76.55 billion). Under this scheme, 22 greenfield projects (8,000 kms length) are being constructed; this is worth Rs. 3.26 lakh crore (US\$ 43.94 billion).
- The government also aims to construct 23 new national highways by 2025.
- The Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Mr. Nitin Gadkari, is targeting to construct 40 kms per day in FY22.
- In August 2021, the Union Minister of Road Transport and Highways, Mr. Nitin Gadkari, announced to launch 1,080-km (road construction) projects worth Rs. 25,370 crore (US\$ 3.4 billion) in Gujarat under the Bharatmala Pariyojana—the ambitious road and highways project that aims to build highways from Maharashtra, Gujarat, Rajasthan, Punjab, Haryana and then cover the entire string of Himalayan territories.
- In August 2021, the Ministry of Road Transport & Highways extended certain relief measures provided earlier in view of the second COVID-19 wave. The following relief measures have been extended:
- Relaxation in Schedule H/G with effect from July 01, 2021, until September 30, 2021, to improve liquidity of funds available with contractors and concessionaire.
- The Government, through a series of initiatives, is working on policies to attract significant investor interest. A total of 200,000 km of national highways is expected to be completed by 2022. In the next five years, National Highway Authority of India (NHAI) will be able to generate Rs. 1 lakh crore (US\$ 14.30 billion) annually from toll and other sources.
- Arrangement regarding direct payment to the approved sub-contractor through an escrow account can be continued until September 30, 2021, or completion of work by the sub-contractor, whichever is earlier.

## BUSINESS OVERVIEW

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For the purpose of discussion of certain risks in connection with investment in the Equity Shares, you should read 'Risk Factors' beginning on page 21 of this Letter of Offer, and for the purpose of discussion of the risks and uncertainties related to those statements, as well as for the discussion of certain factors that may affect our business, financial condition, you should read 'Financial Statements' beginning on page 61 of this Letter of Offer.

### Overview

Our Company was originally incorporated as public company under the Companies Act, 1956 in the name and style of "Ruchika Electronics Limited" bearing Registration Number 21039 dated May 25, 1985 issued by the Registrar of Companies, Delhi & Haryana. The Name of the Company was changed from "Ruchika Electronics Limited" to "Ruchika Industries India Limited" vide RoC Certificate dated 23rd November 2001. Later, name of the Company has been changed from "Ruchika Industries India Limited" to "KCD Industries India Limited" vide RoC certificate dated 4th October 2019. The Corporate Identification Number of our Company is L70100MH1985PLC301881.

Currently our registered office located in Mumbai, Maharashtra. We are engaged in the business of construction services. Our current concentration is from construction contracts from developers. However, we may venture into independently development of residential and commercial real estate projects. We are experienced in various aspects of the real estate development business, including identification and selection of location, development, design, project management and sales and marketing. We shall also focus on designing and developing our products to address consumer needs at convenient locations and at affordable price points. We streamline our project management and construction processes with an aim to develop real estate projects consistently and in a timely and cost-efficient manner.

As civil contractors we are engaged in Development and Construction of Residential and Commercial Complex.

### Brief on our Financials

Our revenue and profit in the last two (2) Financial Years are reproduced below:

(₹ in Lakhs)

Particulars	For the period ended December 31, 2022	Financial Year ending March 31	
		2022	2021
Revenue	52.626	(6.34)	11.81
Net Profit after tax	30.141	19.26	(7.38)

### Competitive Strengths

#### Significant Experience of our Promoters

Our Promoters have significant experience in the Real estate and Construction sector and auxiliary services to the real estate industries, which enables us to effectively manage the projects and helps us in identifying suitable projects for developments. For further information, see "Our Management" on page 64. We continue to leverage the experience of our Promoters to further grow our business and strategically target new market opportunities. We believe that our promoter's experience and their understanding of the real estate industry will enable us to continue to take advantage of both current and future market opportunities. It is also expected that promoter's experience will help us in addressing and mitigating various risks inherent in our business.

### Strategies

#### Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers helps in quality referrals. It helps understanding the basic approach of our Company, its products and

its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/market closely.

### **Leveraging of our Marketing Skills and Relationships**

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products.

### **Marketing and Sales**

Our marketing network and relationship with the customers is critical for success of our Company. Our services are sold to the newer customers through word of mouth and through referrals. We provide our customers tailor made solutions. Our relationship with the clients is strong and established. To retain our customers, our company regularly interacts with them and focuses on gaining an insight into the additional needs of customers. We intend to expand our existing customer base by regularly approaching new customers and developing and maintaining our existing business relationship.

### **Competition**

We face competition from different regional & national domestic real estate developers. Competitors having superior financial, research, execution and marketing resources than us pose competition to us. Our competitors include both large and small real estate developers in the regions and areas where we operate. However, we expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors.

### **Health, Safety and Environment**

We are committed to complying with applicable health, safety and environmental regulations and other requirements in our operations. To help ensure effective implementation of our safety policies and practices, at the beginning of every property development we identify potential material hazards, evaluate material risks and institute, implement, and monitor appropriate risk mitigation measures. We believe that accidents and occupational health hazards can be significantly reduced through the systematic analysis and control of risks and by providing appropriate training to employees.

### **Insurance**

Our operations are subject to hazards inherent to the real estate industry, such as accidents at work sites. We are also subject to force majeure events such as fires, earthquakes, floods and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property, equipment and environment. We obtain building under construction policy for our sites under construction. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate. We also ensure that our contractors obtain workmen compensation insurance policy while carrying out any activities on our behalf.

### **Collaborations**

We have not entered into any technical or financial or any other collaboration agreement as on the date of filing the Letter of Offer.

### **Land and Properties owned by our Company**

#### **Land and Properties taken on lease by our Company.**

The registered office of our company is located at 501, 5th Floor, Ruby Crescent Business Boulevard, Ashok Chakravati Road, Kandivali (East), Mumbai, Maharashtra, 400101, which is not owned by the Company.

## Human Resource

As on the date of this Letter of Offer, we have 14 full-time employees. The following chart shows the breakdown by position of full-time employees across the Company as on the date of this Letter of Offer:

Category	No. of employees
Executive Directors	1
CS and CFO	1
Accountants	2
Others	10
<b>Total</b>	<b>14</b>

## OUR MANAGEMENT

### BOARD OF DIRECTORS

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Letter of Offer, our Board consist of 5 (Five) Directors, out of which 1 (One) is Managing Director and Chief Financial Officer, 2 (Two) are Non-executive Directors, 2 (Two) are Independent Directors out of which 1(One) is Woman Director. The composition of our Board is governed by the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

Name, Designation/Occupation, Address, DIN, Date of Birth, Date of Appointment, Term of Office, Occupation, Nationality and PAN	Age (In Years)	Other Directorships
<b>Mr. Arun Pisharody Kuttan</b> S/o. Mr. Pisharody Kuttan <b>Date of Birth:</b> 28/11/1971 <b>Designation:</b> Chairman & Non-executive Director <b>Date of Appointment:</b> 04/01/2023 <b>Address:</b> B-18, Shree Ajay Building, Opp. Blue Bell Building, Jankalyan Nagar, Malad (West), Mumbai – 400 095. <b>DIN:</b> 09844434 <b>Term:</b> N.A. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>PAN:</b> AANPK5552E	51 Years	KCD Heritage Private Limited
<b>Mr. Rajiv Chadulal Darji</b> S/o. Mr. Chandulal Darji <b>Date of Birth:</b> 14/04/1976 <b>Designation:</b> Managing Director & Chief Financial Officer <b>Date of Appointment:</b> 30/09/2021 <b>Address:</b> B 3504, Oberoi Esquire, Off. Western Express Highway, Oberoi Garden City, Dindoshi, Goregaon (East), Mumbai – 400063. <b>DIN:</b> 02088219 <b>Term:</b> N.A. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>PAN:</b> ACHPD1077F	46 Years	KCD Foodies (India) Private Limited Aaadi Buildcraft Concept Private Limited Aaadi & Pramukh Infra Buildcon Private Limited Pramukh & Aaadi Buildscape Private Limited Raj skyline and KCD Builders Private Limited KCD Heritage Private Limited Aaadi Automobiles Private Limited KCD Decore (OPC) Private Limited
<b>Mr. Sagar Shetty</b> S/o. Mr. Sadanand Pandurang Shetty <b>Date of Birth:</b> 27/02/1978 <b>Designation:</b> Non-executive Director <b>Date of Appointment:</b> 07/09/2021 <b>Address:</b> A/204, Gokul Nagar, No. 2, Western Express Highway, Near Dattani Park, Kandivali, Mumbai – 400 101. <b>DIN:</b> 09213119 <b>Term:</b> N.A. <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>PAN:</b> AQPPS1935B	44 Years	-
<b>Mr. Pratik Mukesh Popat</b> S/o. Mr. Mukesh Narayandas Popat <b>Date of Birth:</b> 10/07/1989	33 Years	-



<b>Designation:</b> Independent Director <b>Date of Appointment:</b> 08/04/2019 <b>Address:</b> B-202, Dhanesha Niwas, S.V.Road, Kandivali (West), Mumbai – 400 067. <b>DIN:</b> 08415025 <b>Term:</b> 5 years from 08/04/2019 to 07/04/2024 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>PAN:</b> ATWPP0120H		
<b>Mrs. Minal Darshan Panchal</b> d/o. Mr. Vasant Panchal <b>Date of Birth:</b> 03/09/1986 <b>Designation:</b> Independent Director <b>Date of Appointment:</b> 08/04/2019 <b>Address:</b> Flat No. 903, Divya Gunjan, Bandar Pakhadi Road, Ganesh Chowk, Charkop, Near Gaurav Garden, Kandivali (West), Mumbai – 400 067. <b>DIN:</b> 08415023 <b>Term:</b> 5 years from 08/04/2019 to 07/04/2024 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>PAN:</b> APZPP8884K	36 Years	-

#### Family Relationships between the Directors

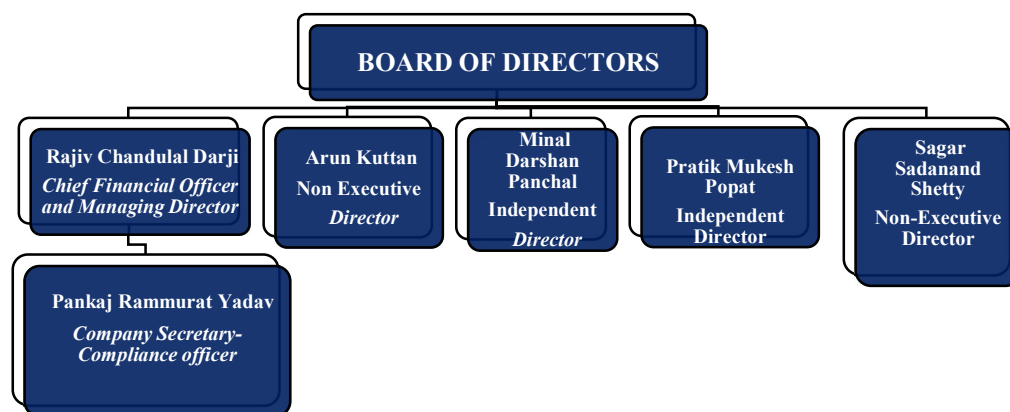
None of the directors are related to each other in terms of the definition of 'relative' under Section 2(77) of the Companies Act except as set out below:

Name	Name	Relationship
-	-	-
-	-	-

#### Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

#### Management Organizational Structure



**Status of Key Management Personnel in our Company**

All our key managerial personnel are permanent employees of our Company.

**Relationship amongst the Key Managerial Personnel of our Company**

There is no family relationship amongst the any Key Managerial Personnel of our Company.

**Details of Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

## SECTION VII – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### INDEPENDENT AUDITOR'S REPORT ON QUARTERLY FINANCIAL RESULTS AND YEAR TO DATE RESULTS OF THE COMPANY PURSUANT TO THE REGULATION 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

#### STATEMENT OF STANDALONE UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED ON 31<sup>ST</sup> DECEMBER 2022.

(Amount in Lakhs except EPS)

Sr. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	9 months ended	Corresponding 9 months ended in the previous year	Previous year ended
		31/12/2022	30/09/2022	31/12/2021	31/12/2022	31/12/2021	31/03/2022
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	<b>Income</b>						
	(a) Revenue from Operations	73.456	14.973	0.000	88.429	0.000	(73.204)
	(b) Other Income	16.502	19.232	3.250	54.155	3.250	66.859
	<b>Total Income</b>	<b>89.958</b>	<b>34.205</b>	<b>3.250</b>	<b>142.584</b>	<b>3.250</b>	<b>(6.345)</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	0.000	0.000	0.000	0.000	0.000	0.000
	(b) Purchases of stock-in-trade	0.000	0.000	0.000	0.000	0.000	0.000
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.000	11.671	0.000	11.671	0.000	(73.204)
	(d) Direct Expenses	0.000	0.000	0.000	0.000	0.000	0.000
	(e) Employee Benefits Expenses	13.169	0.761	0.000	20.065	2.505	16.250
	(f) Finance Cost	0.053	0.047	0.012	0.125	0.057	0.119
	(g) Depreciation and amortization expense	0.000	0.000	0.709	0.000	0.939	0.663
	(h) Consultancy charges	2.170	0.544	0.163	2.714	0.663	1.556
	(i) Listing Fees	0.000	0.000	0.000	0.212	0.000	3.540
	(j) Commission	0.000	0.000	0.000	0.000	0.000	0.000
	(k) Travelling Expense	0.000	0.000	0.000	0.000	0.000	0.000
	(l) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	1.304	2.072	0.114	7.967	0.454	2.804
	<b>Total Expenses</b>	<b>16.696</b>	<b>15.095</b>	<b>0.999</b>	<b>42.754</b>	<b>4.619</b>	<b>(48.273)</b>
3	<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>73.262</b>	<b>19.110</b>	<b>2.251</b>	<b>99.830</b>	<b>(1.369)</b>	<b>41.928</b>
4	Exceptional Items	0.000	0.000	0.000	0.000	0.000	0.000
5	<b>Profit / (Loss) before tax (3-4)</b>	<b>73.262</b>	<b>19.110</b>	<b>2.251</b>	<b>99.830</b>	<b>(1.369)</b>	<b>41.928</b>
6	<b>Tax Expenses</b>						
	(a) Current Tax	0.000	0.000	0.000	0.000	0.000	10.500
	(b) Deferred Tax	0.000	0.000	0.066	0.000	0.066	(0.080)
	(c) Income Tax	2.626	0.000	0.000	2.626	0.000	12.245
7	<b>Total Tax Expenses</b>	<b>2.626</b>	<b>0.000</b>	<b>0.066</b>	<b>2.626</b>	<b>0.066</b>	<b>22.665</b>

8	<b>Profit/ (Loss) for a period from continuing operations (5-7)</b>	<b>70.636</b>	<b>19.110</b>	<b>2.185</b>	<b>97.204</b>	<b>(1.435)</b>	<b>19.263</b>
9	Profit/ (Loss) for a period from dis-continuing operations	0.000	0.000	0.000	0.000	0.000	0.000
10	Tax Expenses of discontinued operations	0.000	0.000	0.000	0.000	0.000	0.000
11	<b>Profit/ (Loss) for a period from dis -continuing operations (after tax) (9-10)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
12	<b>Other Comprehensive Income/(Loss)</b>						
	A) (i) Amount of items that will not be reclassified to profit or loss	0.000	0.000	0.000	0.000	0.000	0.000
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.000	0.000	0.000	0.000	0.000	0.000
	B.) (i) Amount of items that will be reclassified to profit or loss	0.000	0.000	0.000	0.000	0.000	0.000
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.000	0.000	0.000	0.000	0.000	0.000
13	<b>Total Comprehensive income for the period (comprising profit/loss) and other comprehensive income for the period) (8-11-12)</b>	<b>70.636</b>	<b>19.110</b>	<b>2.185</b>	<b>97.204</b>	<b>(1.435)</b>	<b>19.263</b>
	Paid -up Equity Share Capital (Face Value of Rs. 5/- each)	100.000	100.000	100.000	100.000	100.000	100.000
14	<b>Earning Per Share (For continuing operations)</b>						
	(a) Basic	<b>3.532</b>	<b>0.956</b>	<b>0.109</b>	<b>4.860</b>	<b>(0.072)</b>	<b>0.963</b>
	(b) Diluted	<b>3.532</b>	<b>0.956</b>	<b>0.109</b>	<b>4.860</b>	<b>(0.072)</b>	<b>0.963</b>

**Notes:**

1. The Un-audited financial statement for the quarter ended and nine months period ended on 31<sup>st</sup> December 2022 has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 10<sup>th</sup> February 2023.

2. The financial results for all the periods have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rule, 2015, as amended from time to time and other recognized accounting practices and policies to the extent applicable.
3. Limited review of the financial results has been carried out by the statutory auditor.
4. As the Company’s business activity falls within a single primary business segment, the disclosure requirements as per Ind-AS 108 “operating segments” are not applicable.
5. The Company does not have any Subsidiary, Associates or Joint Venture. Therefore, reporting of Consolidated Financial Statements is not applicable.
6. Previous period figures have been re-grouped and re-classified wherever necessary.

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
KCD Industries India Limited Report on  
the Standalone IND AS Financial Statements

### Opinion

1. We have audited the accompanying Standalone IND AS Financial Statements of KCD Industries India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone IND AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, its profit, changes in equity and its cash flows for the year ended on that date.

### Basis for opinion

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

### Management's Responsibility for the Standalone IND AS Financial Statements

3. The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone IND AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone IND AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone IND AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone IND AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone IND AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone IND AS Financial Statements, including the disclosures, and whether the Standalone IND AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## **Report on Other Legal and Regulatory Requirements**

5. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters Specified in paragraphs 3 and 4 of the Order.
6. (A) As required by section 143(3) of the Act, we further report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c. the Standalone Balance Sheet, Standalone Statement of Profit and Loss, the Standalone statement of changes in equity and Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. in our opinion, the aforesaid Standalone IND AS Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
- e. on the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

(B) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under;

- a. The Company has no pending litigations on its financial position in its financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
- d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company, or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) contain any material misstatement.
- e. The company has neither declared or paid any dividend during the year, hence reporting in respect of compliance under section 123 of the Act is not applicable.

(C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

- a) In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.



The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For Sayed and Associates, Chartered Accountants**

**Firm Registration Number: 133736W**

**Sd/-**

**Rehmat Ali Nazim Ali Sayed Partner**

**M.No.: 143094**

**UDIN: 22143094ALVHYJ4509**

**Place: Mumbai**

**Date: 28/06/2022**

## **Annexure A to the Independent Auditors' Report**

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Annexure referred to in paragraph 5 Our Report of even date to the members of KCD Industries India Limited on the standalone IND AS financial statement for the year ended 31st March 2022.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. In respect of Property, plant and equipment and Intangible assets;
  - A. (a) The company has generally maintained records showing full particulars including quantitative details and situation of Property, plant and equipment.
  - (b) The Company has maintained proper records showing full particulars of Intangible assets.
  - B. It has been explained to us that the Company has a regular program for physical verification of Property, plant and equipment on a rotational basis, which in our opinion is reasonable having regard to the size of the company and the nature of its assets and no material discrepancies were noticed on such verification.
  - C. The title deeds of immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
  - D. The Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
  - E. There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. In respect of inventories.
  - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
  - b) The Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets.
- iii. In respect of Investments, Loans and Advances: The Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted loans to a wholly owned subsidiary company. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.
  - a. There is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. As explained to us, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Therefore, the provisions of Clause (vi) of paragraph 3 of the order are not applicable to the Company.

vii. In respect of statutory dues;

a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) Term loans raised during the year have been applied for the purpose for which they were raised.

d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017.

xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi.(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors of the Company during the year as under:

a) S N & Co.

Resigned on 14/08/2021.

The issues, objections or concerns raised by the outgoing auditors have been taken into consideration.

b) Satish Soni & Co.

Resigned on 21/06/2022

The issues, objections or concerns raised by the outgoing auditors have been taken into consideration.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For Sayed and Associates,**

**Chartered Accountants**

**Firm Registration Number: 133736W**

**Sd/-**

**Rehmat Ali Nazim Ali Sayed Partner**

**M.No.: 143094**

**UDIN: 22143094ALVHYJ4509**

**Place: Mumbai**

**Date: 28/06/2022**

# FINANCIAL STATEMENTS

## Balance Sheet as at 31st March 2022

(All amounts in INR, unless otherwise stated)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
<b>I. ASSETS</b>			
Non-current assets			
Property, Plant and equipment	4	36,684	70,347
Other intangible assets	5	16,874	93,349
Deferred tax assets (net)	6	36,592	28,570
Total Non-current Assets		90,150	1,92,266
Current assets			
Inventories	7	91,02,598	17,82,225
Financial assets:			
(i) Trade Receivable	8	16,04,026	60,33,921
(ii) Cash and cash equivalents	9	67,526	12,17,804
(iii) Other Financial Assets	10	-	-
Other Current Assets	11	5,10,64,518	3,97,76,372
Current Tax Asset (net)	12	7,01,878	11,29,539
Total current Assets		6,25,40,546	4,99,39,861
<b>TOTAL ASSETS</b>		<b>6,26,30,696</b>	<b>5,01,32,126</b>
<b>II. EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	13	1,00,00,000	1,00,00,000
Other equity	14	2,42,43,617	2,23,17,303
Total equity		3,42,43,617	3,23,17,303
Current liabilities			
Financial liabilities			
(i) Trade payables	15		
- due to micro and small enterprises		5,630	23,955
- due to others		92,82,595	22,45,095
(ii) Other Financial Liabilities	16	1,54,000	1,35,067
Other current liabilities	17	1,89,44,854	1,54,10,706
Total Liabilities		2,83,87,079	1,78,14,823
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,26,30,696</b>	<b>5,01,32,126</b>
Summary of significant accounting policies	1-3		

The accompanying notes are an integral part of the financial statements. This is the Balance sheet referred to in our report of even date.

For Sayed & Associates  
Chartered Accountants  
Firm Registration No. 133736W  
Sd/-  
CA Sayed Rehmat Ali Proprietor  
Membership No.: 143094  
UDIN: 22143094ALVHYJ4509  
Place: Mumbai  
Date: 28/06/2022

For and on behalf of Board of Directors of KCD Industries India Limited  
(formerly known as Ruchika Industries India Limited)  
Sd/-  
Rajiv Darji  
Managing Director & CFO  
DIN: 02088219

Sd/-  
Sagar Shetty  
Non-executive Director  
DIN: 09213119

# Statement of profit and loss for the year ended 31st March 2022

(All amounts in INR, unless otherwise stated)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
Income			
Revenue From Operations	18	(73,20,373)	10,51,373
Interest Income	19	65,89,914	-
Other income	20	95,949	1,30,000
Total income		(6,34,510)	11,81,373
Expenses			
Changes in Inventories of Finished Goods	21	(73,20,373)	8,08,748
Employee Benefit Expenses	22	16,24,962	2,95,000
Depreciation and amortisation expense	23	66,258	2,32,684
Other expenses	24	8,01,833	6,05,685
Total expenses		(48,27,320)	19,42,117
Profit/(Loss) before tax		41,92,810	(7,60,744)
Tax expense	25		
Current tax		10,50,021	-
Deferred tax		12,24,499	-
(Credit)/Expense		(8,024)	(22,717)
Total Tax Expense		22,66,496	(22,717)
Net Profit/(Loss) for the year		19,26,314	(7,38,028)
Other comprehensive income		-	-
Total Comprehensive Income for the Year/Period		19,26,314	(7,38,028)
Earnings/loss per equity share	25		
Basic (Rs. Per Share)		0.96	0.37
Diluted (Rs. Per Share)		0.96	0.37
Summary of significant accounting policies	1-3		

The accompanying notes are an integral part of the financial statements. This is the statement of profit and loss referred to in our report of even date.

For Sayed & Associates  
Chartered Accountants  
Firm Registration No. 133736W  
Sd/-  
CA Sayed Rehmat Ali Proprietor  
Membership No.: 143094  
UDIN: 22143094ALVHYJ4509  
Place: Mumbai  
Date: 28/06/2022

For and on behalf of Board of Directors of KCD Industries India Limited  
(formerly known as Ruchika Industries India Limited)  
Sd/-  
Rajiv Darji  
Managing Director & CFO  
DIN: 02088219

Sd/-  
Sagar Shetty  
Non-executive Director  
DIN: 09213119

### Statement of cash flow for the year ended 31st March 2022

(All amounts in INR, unless otherwise stated)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	41,92,810	(7,60,745)
Adjustments for:		
Depreciation and amortisation expense	66,258	2,32,684
Gain on sale of vehicle	(95,949)	-
Operating profit before working capital changes	41,63,119	(5,28,060)
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets and liabilities:		
Inventories	(73,20,373)	8,08,748
Trade receivables	44,29,895	(12,40,620)
Trade payables	70,19,175	65,161
Other current assets	(1,12,88,146)	(4,95,725)
Other financial liabilities	18,933	69,567
Other current liabilities	35,34,148	27,15,696
Cash generated from operations	5,56,751	13,94,767
Less: Tax paid (net)	(18,46,858)	(11,13,940)
Net cash flow from operating activities (A)	(12,90,107)	2,80,827
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Sale of Fixed Assets	1,39,829	-
Sale of Investments	-	9,24,000
Net cash used in investing activities (B)	1,39,829	9,24,000
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	-	-
Net cash flow used in Financing Activities (C)	-	-
Net Increase/(Decrease) in cash or cash equivalents (A+B+C)	(11,50,278)	12,04,827
Cash and cash equivalents at beginning of the period	12,17,804	12,977
Cash and cash equivalents at end of the period	67,526	12,17,804
Net Movement in Cash and cash equivalents	(11,50,278)	12,04,827

Note:

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

This is the statement of cash flows referred to in our report of even date.

For Sayed & Associates  
Chartered Accountants  
Firm Registration No. 133736W  
Sd/-  
CA Sayed Rehmat Ali Proprietor  
Membership No.: 143094  
UDIN: 22143094ALVHYJ4509  
Place: Mumbai  
Date: 28/06/2022

For and on behalf of Board of Directors of KCD Industries India Limited  
(formerly known as Ruchika Industries India Limited)  
Sd/-  
Rajiv Darji  
Managing Director & CFO  
DIN: 02088219

Sd/-  
Sagar Shetty  
Non-executive Director  
DIN: 09213119

**NOTES TO FINANCIAL STATEMENTS**

4.	Property, Plant and Equipment			
	Description	Office Equipment	Computer	Total
	As at 31st March 2020	1,99,958	96,240	2,96,198
	Addition	-	-	-
	Disposals	-	-	-
	As at 31st March 2021	1,99,958	96,240	2,96,198
	Addition	-	-	-
	Disposals	-	-	-
	As at 31st March 2022	1,99,958	96,240	2,96,198
	Accumulated depreciation			
	As at 31st March 2020	63,866	89,343	1,53,209
	Charge for the period	70,557	2,085	72,642
	Adjustment for disposals	-	-	-
	As at 31st March 2021	1,34,423	91,428	2,25,851
	Charge for the period	33,663	-	33,663
	Adjustment for disposals	-	-	-
	As at 31st March 2022	1,68,086	91,428	2,59,514
	Net block as at 31st March 2020	1,36,092	6,897	1,42,989
	Net block as at 31st March 2021	65,535	4,812	70,347
	Net block as at 31st March 2022	31,872	4,812	36,684
5	Other intangible assets			
	Description	Computer Software	Total	
	As at 31st March 2020	3,18,000	3,18,000	
	Addition	-	-	
	Disposals	-	-	
	As at 31st March 2021	3,18,000	3,18,000	
	Addition	-	-	
	Disposals	(1,50,000)	(1,50,000)	
	As at 31st March 2022	1,68,000	1,68,000	
	Accumulated depreciation			
	As at 31st March 2020	64,609	64,609	
	Charge for the period	1,60,042	1,60,042	
	Adjustment for disposals	-	-	
	As at 31st March 2021	2,24,651	2,24,651	
	Charge for the period	32,594	32,594	
	Adjustment for disposals	(1,06,119)	(1,06,119)	
	As at 31st March 2022	1,51,126	1,51,126	
	Net block as at 31st March 2020	2,53,391	2,53,391	
	Net block as at 31st March 2021	93,349	93,349	
	Net block as at 31st March 2022	16,874	16,874	
6	Deferred Tax Assets (net)	As at 31st March 2022	As at 31st March 2021	
	Deferred Tax Assets (net)	36,592	28,570	
	Total	36,592	28,570	



7	Inventories	As at 31st March 2022	As at 31st March 2021
	Stock in Trade (Valued at Cost or realisable whichever is lower)	91,02,598	17,82,225
	Total	91,02,598	17,82,225
8	Trade receivables	As at 31st March 2022	As at 31st March 2021
	Unsecured, considered good	16,04,026	60,33,921
	Total	16,04,026	60,33,921
9	Cash and cash equivalents	As at 31st March 2022	As at 31st March 2021
	Balances with banks:		
	- with scheduled banks in current accounts	39,587	12,10,406
	- Cash in hand	27,939	7,398
	Total	67,526	12,17,804
10	Other Financial Assets	As at 31st March 2022	As at 31st March 2021
	Other Financial Assets	-	-
	Total	-	-
11	Other Current Assets	As at 31st March 2022	As at 31st March 2021
	Other Current Assets	-	-
	Total	-	-
12	Current Tax Assets	As at 31st March 2022	As at 31st March 2021
	Advance tax and TDS receivable	7,01,878	11,59,668
	Less: Provision for Tax	-	(30,130)
	Total	7,01,878	11,29,538
13	Equity Share Capital	As at 31st March 2022	As at 31st March 2021
	Authorised share capital		
	50,00,000 Equity Shares of ₹ 5/- each	2,50,00,000	2,50,00,000
	Issued, subscribed and paid up equity share capital		
	20,00,000 Equity shares of ₹ 5 /- each	1,00,00,000	1,00,00,000
14	Other Equity	As at 31st March 2022	As at 31st March 2021
	Retained earnings		
	Opening Retained earnings	2,23,17,303	2,30,55,330
	Add: Profit for the year	19,26,314	(7,38,027)
	Add: OCI for the year	-	-
	Transfer to Statutory Reserve	-	-
	Closing Retained earnings	2,42,43,617	2,23,17,303
	Total other equity	2,42,43,617	2,23,17,303
	Description of nature and purpose of each reserve: Retained earnings – Retained earnings are created from the profit of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.		
15	Trade Payables	As at 31st March 2022	As at 31st March 2021
	Dues to micro and small enterprises [refer note (a) below]	5,630	23,955
	Dues to others	92,82,595	22,45,095

	Total	92,88,225	22,69,050
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Notes:

- a) Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006.
- b) On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

i)	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period;	5,630	23,955
ii)	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period; Interest accrued and due thereon remaining unpaid;	Nil	Nil
iii)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act;	Nil	Nil
iv)	the amount of interest accrued and remaining unpaid at the end of each accounting period; and	Nil	Nil
v)	the amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

b. Additional disclosure in respect of Trade payables Ageing as per Schedule III, Companies Act 2013:

Sr. No.	Particulars	As at 31st March 2022				
		Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
I.	MSME	5,630	-	-	-	-
II.	Others	92,82,595	-	-	-	-
III.	Disputed dues-MSME	-	-	-	-	-
IV.	Disputed dues-others	-	-	-	-	-
Sr. No.	Particulars	As at 31st March 2021				
		Outstanding for following periods from due date of payment				
		Less than 1 year	Less than 1 year	Less than 1 year	Less than 1 year	Less than 1 year
I.	MSME	23,955	-	-	-	-
II.	Others	22,45,095	-	-	-	-
III.	Disputed dues-MSME	-	-	-	-	-
IV.	Disputed dues-others	-	-	-	-	-
16	Other Financial Liabilities	As at 31st March 2022		As at 31st March 2021		
	Salaries payable	1,54,000		69,567		
	Audit Fees Payable	-		65,500		
	Total	1,54,000		1,35,067		
17	Other Current Liabilities	As at 31st March 2022		As at 31st March 2021		
	Trade Advances	1,62,70,209		1,26,47,462		

	Advances from customers	13,23,569	13,94,699
	Statutory dues	13,51,076	13,68,545
	Total	1,89,44,854	1,54,10,706
18	Revenue from Operations	As at 31st March 2022	As at 31st March 2021
	Sale of goods	(73,20,373)	10,51,373
	Total	(73,20,373)	10,51,373
19	Interest Income	As at 31st March 2022	As at 31st March 2021
	Interest Income	65,89,914	-
	Total	65,89,914	65,89,914
20	Other Income	As at 31st March 2022	As at 31st March 2021
	Gain on sale of vehicle	95,949	-
	Amounts written back	-	1,30,000
	Total	95,949	1,30,000
21	Change in Inventories of finished goods	As at 31st March 2022	As at 31st March 2021
	Opening Inventories	17,82,225	25,90,973
	Closing Inventories	91,02,598	17,82,225
	Total	(73, 20,373)	8,08,748
22	Employee Benefit Expenses	As at 31st March 2022	As at 31st March 2021
	Salaries, Wages and Bonus	16,24,962	2,95,000
	Total	16,24,962	2,95,000
23	Depreciation and Amortisation Expenses	As at 31st March 2022	As at 31st March 2021
	Depreciation on property, plant and equipment	33,663	72,642
	Amortisation on intangible assets	32,595	1,60,042
	Total	66,258	2,32,684
24	Other expenses	As at 31st March 2022	As at 31st March 2021
	Listing fees	3,54,000	3,00,000
	Rates and taxes	1,96,149	-
	Legal and professional charges	80,616	1,36,333
	Advertisement expenses	34,076	30,228
	Auditor's remuneration (refer note 15.1)	75,000	30,000
	Issuer Fees	10,620	9,000
	Bank Charges	11,859	17,496
	Miscellaneous expenses	39,513	82,628
	Total	8,01,833	6,05,685
24.1	Payment to auditors	As at 31st March 2022	As at 31st March 2021
	Statutory audit	75,000	30,000
	Tax audit	-	-
	Total	75,000	30,000
25	Earnings/(loss) per equity share	As at 31st March 2022	As at 31st March 2021
	(Loss) for the year / period	19,26,314	(7,38,027)
	Face value per share	5	5
	Weighted average number of equity shares for EPS	20,00,000	20,00,000
	Earnings/(loss) per share		

	Basic (in ₹)	0.96	(0.37)
	Diluted (in ₹)	0.96	(0.37)
	<p>* Note: The Company does not have any outstanding dilutive potential equity shares as at 31st March 2022 and 31st March 2021. Consequently, the basic and diluted earnings per share of the Company shall remain the same.</p>		
26	Financial Ratios	As at 31st March 2022	As at 31st March 2021
(a)	Current ratio = Current assets divided by current liabilities		
	Particulars	As at 31st March 2022	As at 31st March 2021
	Current Assets	62540546	49939860
	Current Liabilities	28387079	17814823
	Ratio	2	3
	% change from previous period	-21.41%	
(b)	<p>Debt Equity ratio = Total debt divided by total equity where total debt refers to sum of current and non-current borrowings. Note: The Company does not have any borrowings. Hence, this ratio is not applicable.</p>		
(c)	<p>Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments. Note: The Company does not have any borrowings. Hence, this ratio is not applicable.</p>		
(d)	Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Average Equity		
	Particulars	As at 31st March 2022	As at 31st March 2021
	Net Profit after Tax	1926314	(738027)
	Average equity employed	34243617	32317303
	Ratio (%)	5.6%	-2.3%
	% Change from previous period	-346.33%	
	Increase in return on equity ratio is due to increase in net profit in current year compared to net loss in previous year.		
(e)	Trade Receivables turnover ratio = Sales divided by Average trade receivables		
	Particulars	As at 31st March 2022	As at 31st March 2021
	Revenue from operations	(7320373)	1051373
	Average Trade Receivables	1604026	6033921
	Ratio (times)	-456.4%	17.4%
	% Change from previous period	-2719.18%	
	Decrease in trade receivables is due to decrease in revenue from operations in current year compared to previous year.		
(f)	<p>Trade payables turnover ratio = Purchases divided by Average trade payables Note: The Company has not made any purchases of goods. Hence, this ratio is not applicable.</p>		
(g)	<p>Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital = current assets – current liabilities. Note: The Company does not have any revenue from operations. Hence, this ratio is not applicable.</p>		
(h)	Net profit ratio = Net profit after tax divided by Sales		
	Particulars	As at 31st March 2022	As at 31st March 2021
	Net profit after tax (A)	1926314	(738027)
	Total Income (B)	(634510)	1181373
	Ratio (times)	-303.6%	-62.5%
	% Change from previous period	385.96%	
	Decrease in net profit ratio is due to decrease in total income.		

(i)	Return on Capital employed (pre cash) = Earnings before interest and taxes (EBIT) divided by Average Capital Employed				
	Particulars	As at 31st March 2022	As at 31st March 2021		
	Profit before tax* (A)	41,92,810	(7,38,027)		
	Finance costs* (B)	-	-		
	Other income excluding Trade finance income* (C)	95,949	1,30,000		
	EBIT (D) = (A)+(B)-(C)	40,96,861	(8,68,027)		
	Average Capital Employed (E )	34243617	32317303		
	Ratio (%)	12.0%	-2.7%		
	% Change from previous period	-545.42%			
	Decrease in return on capital employed ratio is due to increase in EBIT compared to previous year.				
27	Financial Instruments				
A	Financial assets and liabilities				
	The carrying amounts of financial instruments by category are as follows:				
	Particulars	Notes to schedule	As at 31st March 2022	As at 31st March 2021	
	Financial assets measured at amortised cost				
	Trade receivables	8	1604026	6033921	
	Cash and cash equivalents	9	67526	1217804	
	Other financial assets	10	-	-	
	Total Financial assets		1671552	7251725	
	Financial liabilities measured at amortised cost				
	Trade payables	15			
	- total outstanding dues of Micro Small and Medium Enterprises		5630	23,955	
	- total outstanding dues of others		9282595	2245095	
	Other financial liabilities	16	154000	135067	
	Total Financial liabilities		9442225	2404117	
B	Fair values hierarchy The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]. The categories used are as follows: Level 1: Quoted prices (unadjusted) for identical instruments in an active market; Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and Level 3: Inputs which are not based on observable market data (unobservable inputs).				
B.1	Fair value of instruments measured at amortised cost				
	Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:				
	Particulars	As at 31st March 2022		As at 31st March 2021	
		Carrying value	Fair value	Carrying value	Fair value
	Financial assets				
	Trade receivables	16,04,026	16,04,026	60,33,921	60,33,921
	Cash and cash equivalents	67,526	67,526	12,17,804	12,17,804
	Other financial assets	-	-	-	-

	Total	16,71,552	16,71,552	72,51,725	72,51,725
	Financial liabilities				
	Trade payables	92,88,225	92,88,225	22,69,050	22,69,050
	Other financial liabilities	1,54,000	1,54,000	1,35,067	1,35,067
	Total	94,42,225	94,42,225	24,04,117	24,04,117
	The management assessed those fair values the above items approximate their respective carrying amounts, largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values for other assets and liabilities: Accordingly, these are classified as level 3 of fair value hierarchy. The own non-performance risk as at 31st March 2022 was assessed to be insignificant.				
C	Financial risk management				
i)	Risk Management				
	The Company’s activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.				
	Risk	Exposure arising from		Management	
	Credit risk	Cash and cash equivalents (other than cash), loans, financial assets measured at amortised cost		Highly rated bank and deposits diversification of asset base collaterals taken for assets	
	Liquidity risk	Borrowings and other financial liabilities		Availability of committed credit lines and borrowing facilities	
	The Company’s risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.				
	A) Credit Risk: Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets, and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.				
	Credit risk management The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets. (i) Low credit risk on financial reporting date (ii) Moderate credit risk (iii) High credit risk				
	The Company provides for expected credit loss based on the following:				
	Nature	Assets covered		Basis of expected credit loss	
	Low credit risk	Cash and cash equivalents (other than cash), other bank balances, investments, loans and other financial assets		12 month expected credit loss	
	Moderate credit risk	Nil		Lifetime expected credit loss or 12 month expected credit loss	
	High credit risk	Nil		Lifetime expected credit loss fully provided for	

	Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.		
	Assets are written off when there is no reasonable expectation of recovery, such as a borrower declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.		
	Financial assets that expose the entity to credit risk*		
	Particulars	As at 31st March 2022	As at 31st March 2021
	Low credit risk - Stage 1		
	Trade receivables	1604026	6033921
	Cash and cash equivalents	67526	1217804
	Moderate credit risk - Stage 2	-	-
	High credit risk - Stage 3	-	-
	* These represent gross carrying values of financial assets, without deduction for expected credit losses.		
	The Company does not have any significant or material history of credit losses hence the credit risk for all the financial assets has been considered to be negligible by the management as at the closing date.		
	<p>B) Liquidity Risk:</p> <p>Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.</p> <p>Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.</p> <p>Maturities of financial liabilities:</p> <p>All the financial liabilities of the Company are current in nature and are maturing within 12 months period. The amounts disclosed in the financial statements are the contractual undiscounted cash flows.</p>		
	<p>C) Market Risk:</p> <p>Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises of currency risk, interest rate risk and price risk.</p> <p>a) Foreign currency risk –</p> <p>The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company.</p> <p>The Company does not have any significant or material foreign currency transactions hence the currency risk for all the financial assets and liabilities has been considered to be negligible by the management as at the closing date.</p> <p>b) Interest rate risk –</p> <p>As the Company does not have any long-term borrowings outstanding or fixed rate deposits, hence it is not exposed to interest rate risk.</p> <p>c) Price risk –</p> <p>As the Company does not have any investments outstanding or fixed rate deposits, hence it is not exposed to price risk.</p>		
28	<p>Capital management</p> <p>For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The following table summarises the capital of the Company.</p>		
	Particulars	As at 31st March 2022	As at 31st March 2021
	Equity share capital	1,00,00,000	10000000
	Other equity	24243617	22317303

	Total equity (A)	34243617	32317303
	Current borrowings	-	-
	Current maturity of non-current borrowings	-	-
	Total Debt (B)	-	-
	Less: Cash and cash equivalents	(67,526)	(12,17,804)
	Net debt (C)	(67,526)	(12,17,804)
	Capital and net debts (D = A + C)	3,41,76,091	3,10,99,499
	Debt equity ratio (B / A)	0	0
	Capital gearing ratio (B / D)	0	0
29	<p>Prior year comparatives</p> <p>The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.</p>		
30	<p>Impact of Covid - 19 pandemic</p> <p>The outbreak of Coronavirus Disease 2019 (COVID-19), declared as a pandemic by the World Health Organisation, severely impacted the business and economic activities around the world including India. During the year ended 31st March 2022, both Central and State Governments of India had imposed lock down and other emergency restrictions which had led to the disruption of all regular business operations. Further, the recent second wave of COVID-19 has again resulted in partial lockdown/restrictions in various states. The Company is closely monitoring the impact of the aforementioned pandemic and has made detailed assessments and has considered all the possible effects, if any, on its liquidity position, including recoverability of its assets as at the balance sheet date and currently believes that there will not be any adverse impact on the long-term operations, financial position and performance of the Company.</p>		



Statement of changes in Equity for the year ended 31st March 2022.

(all amount in Rs. Unless otherwise stated)

Equity Share Capital: -

Particulars	Amount
Balance as at 31st March 2020	1,00,00,000
Changes in equity share capital during the year	-
Balance as at 31st March 2021	1,00,00,000
Changes in equity share capital during the year	-
Balance as at 31st March 2022	1,00,00,000

Other Equity:

Particulars	Retained earnings	Total
Balance as at 31st March 2020	2,30,55,330	2,30,55,330
Profit for the year	(7,38, 027)	(7,38, 027)
Other comprehensive income	-	-
Transfer to Statutory Reserve	-	-
Balance as at 31st March 2021	2,23,17,303	2,23,17,303
Profit for the year	19,26,314	19,26,314
Other comprehensive income	-	-
Balance as at 31st March 2022	2,42,43,617	2,42,43,617

## SIGNIFICANT ACCOUNTING POLICIES

### 1. Background-

KCD Industries India Limited (" the Company") is a Public Limited Company domiciled and incorporated under the provisions of erstwhile Companies Act, 1956. It came into existence on May 25th, 1985 and is listed on the Bombay Stock Exchange ("BSE"). The Company has its registered office at "501, 5th Floor, Ruby Crescent Business Boulevard Ashok Chakravati Road, Kandivali (E) Mumbai – 400 101."

The Company had commenced businesses and engaged themselves in real estate and constructions, in the past few years, the Company also expanded its business into Décor, Infra, Printing, Hospitality and Auto mobiles sectors. The Company has its wide network of operations in Pan India.

### 2. Basis of preparation –

#### 2.1 Accounting Convention

These standalone financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI) under the historical cost convention on the accrual basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

#### 2.2 Previous year figures

Previous Year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classification/disclosures.

### *2.3 Rounding of Amounts*

All amounts disclosed in the standalone financial statements and notes is in INR, except where otherwise indicated.

### *2.4 Use of Judgments, Estimates & Assumptions*

While preparing standalone financial statements in conformity with Ind AS, the management makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on our estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. The management continually evaluates these estimates and assumptions based on the most recently available information.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the standalone financial statements are as below:

#### **Key assumptions**

- i. Financial instruments (Refer note 27)
- ii. Useful lives of Property, Plant and Equipment and Intangible Assets (Refer note 04)
- iii. Assets and obligations relating to employee benefits (Refer note 22)
- iv. Evaluation of recoverability of deferred tax assets (Refer note 06)

### **3. Summary of Significant Accounting Policies**

#### *3.1 Current versus non-current classification:*

- The Company presents assets and liabilities in the balance sheet based on current/ non- current classification.
- An asset is treated as current when it is:
  - a. Expected to be realised in normal operating cycle or within twelve months after the reporting period held primarily for the purpose of trading, or
  - b. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
  - c. All other assets are classified as non-current.
- A liability is current when:
  - a. It is expected to be settled in normal operating cycle or due to be settled within twelve after the reporting period or
  - b. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

### *3.2 Dues to Micro and Small Enterprises*

It is informed that the Company has certain dues to suppliers registered under as 'micro' and 'small' under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act forms integral part of the financial statements.

### *3.3 Cash and Cash Equivalents*

Cash and Cash equivalent in the presentation of balance sheet and the statement of cash flows, includes comprise cash at banks and on hand.

### *3.4 Inventories*

Inventories of Stock-in Trade is stated at cost or net realizable value, whichever is lower.

### *3.5 Property, Plant and Equipment*

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Depreciation on property, plant and equipment is provided using Written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

### *3.6 Financial instruments*

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

#### *i. Financial Assets*

##### *a) Initial recognition and measurement*

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not accounted at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

##### *b) Subsequent measurement*

- Financial assets measured at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate amortisation is included in other income in the Statement of Profit and Loss.

- Financial assets measured at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets measured at fair value through profit or loss (FVTPL).

A financial asset which is not classified in any of the above categories are measured at fair value through profit or loss.

#### c) Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

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

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

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. Further, the Company uses historical default rates to determine impairment loss on the portfolio of the trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward- looking estimates are analysed.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used. ECL impairment allowance is recognised in the Statement of Profit and Loss.

#### ii. Financial Liabilities

##### A. Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

##### B. Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### iii. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### *3.7 Earnings per share*

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjust the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

#### *3.8 Provisions and Contingencies*

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

#### *3.9 Leases*

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

#### *3.10 Borrowing Cost*

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

#### *3.11 Impairment of Non-Financial Assets*

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible assets or group of assets, called Cash Generating Unit ('CGU') may be impaired. If any such indication exists, the recoverable amount of assets or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. An impairment loss is

recognized in the Statement of the Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss, other than goodwill, recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### *3.12 Employee Benefits*

Employee benefits include provident fund and compensated absences.

- Defined contribution plans:

Contributions payable to recognized provident funds, which are defined contribution schemes, are charged to the standalone statement of profit and loss.

- Short-term employee benefits:

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. Compensated absences, which are expected to be utilised within the next 12 months, are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

### *3.13 Tax Expenses*

The tax expense for the period comprises of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

#### *i. Current Tax*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income tax authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

#### *ii. Deferred Tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred income tax assets are reassessed at each reporting period and are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

### *3.14 Revenue recognition*

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Revenue from contracts with customers includes sale of goods and services. Revenue from rendering of services includes advertisement revenue and subscription revenue. Revenue from rendering of services is recognised

over time where the Company satisfies the performance obligation over time or point in time where the Company satisfies the performance obligation at a point in time.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, net of returns and allowances, trade discounts and volume rebates and excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and the receivable is recognized when it becomes unconditional.

#### **Interest income**

Interest Income from Financial Assets is recognised using effective interest rate method.

#### **Dividend income**

Dividend Income is recognised when the Company's right to receive the amount has been established.

**Fair value measurement** The Company measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: -

In the principal market for the asset or liability, or –

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data

are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: -

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Valuation team determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement.

Material uncertainty about going concern: In preparing financial statements, management has made an assessment of Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis. The Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.



## ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Information for the Financial Years ending March 31, 2022, and March 31, 2021. For further details please refer to the section titled '**Financial Statements**' beginning on page 67 of this Letter of Offer.

### ACCOUNTING RATIOS

Particulars	For nine-months period ended December 31, 2022	Amount (in ₹ Lakhs)	
		Based on Audited Financial Statements for the Financial Year ending	
		March 31, 2022	March 31, 2021
Basic earnings per Equity Share (₹)	4.89	10.20	10.46
Diluted earnings per Equity Share (₹)	4.89	10.20	10.46
Return on Net Worth (%)	-	11.31%	11.39%
Net Asset Value per Equity Share (₹)	-	81.21	71.01
EBITDA (₹)	99.955	₹ 1,100.64	₹ 860.25

@The Company does not file Balance Sheet with BSE for in quarter and half yearly filings.

The formula used in the computation of the above ratios are as follows:

Particular	Computation of Formulas
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)) / (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth) / (Number of Equity Shares outstanding for the year);
EBITDA (₹)	Profit for the year before finance costs, tax, depreciation, amortization, and exceptional items as presented in the statement of profit and loss

### Reconciliation of Return on Net Worth (%)

Particulars	Amount in (₹ Lakhs)	
	Based on Audited Financial Statements for the Financial Year ending	
	March 31, 2022	March 31, 2021
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (₹) (A)	478.80	421.44
Net worth at the end of the year (₹) (B)	4,232.87	3,701.20
<b>Return on Net Worth (%) [(A)/(B)]</b>	<b>11.31%</b>	<b>11.39%</b>

### Reconciliation of Net asset value Equity Share

Particulars	Amount in (₹ Lakhs except Equity Share data)	
	Based on Audited Financial Statements for the Financial Year ending	
	March 31, 2022	March 31, 2021
Net Worth (₹) (A)	4,232.87	3,701.20
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	52,12,500	52,12,500
<b>Net Asset Value per Equity Share (₹) [(A)/(B)]</b>	<b>81.21</b>	<b>71.01</b>

**Reconciliation of Net Worth**

Amount in (₹ Lakhs)

Particulars	Based on Audited Financial Statements for the Financial Year ending	
	March 31, 2022	March 31, 2021
Equity Share capital (₹) (A)	521.25	521.25
Reserves and Surplus (₹) (B)	3,711.62	3,179.95
<b>Net Worth (₹) [(A)/(B)]</b>	<b>4,22.87</b>	<b>3,701.20</b>

**Reconciliation of EBITDA**

Amount in (₹ Lakhs)

Particulars	For nine-months period ended December 31, 2022	Based on Audited Financial Statements for the Financial Year ending	
		March 31, 2022	March 31, 2021
Net Profit/ (loss) before tax (₹) (A)	99.830	724.60	594.29
Finance Cost (₹) (B)	0.125	310.78	206.87
Depreciation and amortisation expense (₹) (C)	---	65.25	59.36
<b>EBITDA (₹) (A+B+C)</b>	<b>99.955</b>	<b>1,100.64</b>	<b>860.53</b>

## STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on BSE Limited, and the Rights Shares issued pursuant to this Issue will be listed on the said Stock Exchange. For further details, please refer to the section titled '*Terms of the Issue*' on page 110 of this Letter of Offer.

Our Company shall make an application for being in receipt of the in-principle approval for listing of the Rights Shares on BSE Limited to be issued pursuant to this Issue. In pursuance of which, our Company is in receipt of in-principle approval from the Stock Exchange vide its letter bearing reference number LOD/RIGHT/VK/FIP/36/2023-24 dated April, 19, 2023. Our Company shall also make applications to the Stock Exchange to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

- i. Year is a Financial Year;
- ii. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be.
- iii. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- iv. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

## STOCK MARKET DATA OF THE EQUITY SHARES

1. The following tables set out the reported high, low, and average of the closing prices of our Equity Shares on the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded in the preceding 3 (Three) Financial Years:

Financial Year ending on March 31	High (₹)	Date of High	Number of Equity Shares traded on date of High	Total turnover of Equity Shares traded on date of High (₹)	Low (₹)	Date of Low	Number of Equity Shares traded on date of Low	Total turnover of Equity Shares traded on date of Low (₹)	Average Market Price for the Year (₹)	Total volume of Equity Shares traded in the Financial Year	
										(in number)	(₹ in lakhs)
2022	52.25	25/03/2022	101	5277	27.65	09/11/2021	12	339	38.17	341667	10472158
2021	92.1	24/08/2020	100	9210	28.85	25/03/2021	8697	260145	56.76	22527	1108443
2020	104.20	06/04/2020	269	28121	15.43	03/04/2019	15	231	51.78	47923	2216814

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

2. The following tables set out the reported high, low, and average of the closing prices of our Equity Shares on the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded in each of the last 6 (Six) Months:

Month	High (₹)	Date of High	Number of Equity Shares traded on date of High	Total turnover of Equity Shares traded on date of High (₹ in Lakhs)	Low (₹)	Date of Low	Number of Equity Shares traded on date of Low	Total turnover of Equity Shares traded on date of Low (₹ in Lakhs)	Average Market Price in the Month (₹)	No. of trading days in the period	Total volume of Equity Shares traded in the Month (in number)	
											(in number)	(₹ in Lakhs)
January 2023	100	25/01/2023	777	78627	91.15	20/01/2023	161	15521	96.29	21	18126	1755247
December 2022	105.15	20/12/2022	4341	455215	61.35	01/12/2022	1939	116981	86.27	22	86294	7802432

Month	High (₹)	Date of High	Number of Equity Shares traded on date of High	Total turnover of Equity Shares traded on date of High (₹ in Lakhs)	Low (₹)	Date of Low	Number of Equity Shares traded on date of Low	Total turnover of Equity Shares traded on date of Low (₹ in Lakhs)	Average Market Price in the Month (₹)	No. of trading days in the period	Total volume of Equity Shares traded in the Month (in number)	
											(in number)	(₹ in Lakhs)
November 2022	60.7	23/11/2022	3650	221555	43.25	14/11/2022	597	25820	52.13	21	112720	6039387
October 2022	30	19/10/2022	1090	61046	52.3	03/10/2022	429	21771	56.59	19	125205	6955373
September 2022	52.15	30/09/2022	10819	519599	38.75	13/09/2022	9738	381530	44.69	21	204110	8389031
August 2022	49.95	30/08/2022	100	4995	45.35	24/08/2022	71	3501	47.73	9	20227	967171

3. The Board has approved the Issue at their meeting held on September 12, 2022, the following table sets forth the market prices of our Equity Shares on the BSE on September 13, 2022, the first working day immediately following the date of the Board meeting.

Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in Lakhs)
42.75	42.75	38.75	38.75	9738	381530

The Issue Price of ₹ 18/- per Equity Share has been determined by the Board of Directors of our Company.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the letter of offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

- In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';
- For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended,

Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.

### **CONTINGENT LIABILITIES OF OUR COMPANY**

The details of contingent liabilities for the Financial Year ending March 31, 2022 and March 31, 2021, is tabled below:

Sr No.	Particulars	Amount in (₹ Lakhs)	
		For Financial Year Ending March 31, 2022	March 31, 2021
1.	In respect of Bank Guarantee outstanding issued by Banks	-	-
2.	In respect of Demand raised by Income tax Department	-	-
<b>TOTAL</b>		-	-

### **LITIGATION INVOLVING OUR COMPANY**

#### **1) Litigation Involving Actions by Statutory/Regulatory Authorities**

As on date of this Letter of Offer, there are no litigations involving any actions by statutory/ regulatory authorities which are filed by or against our Company.

#### **2) Litigation involving Tax Liabilities**

##### **(i) Direct Tax Liabilities**

As on date of this Letter of Offer, there are no direct tax liabilities against our Company.

##### **(ii) Indirect Taxes Liabilities**

As on date of this Letter of Offer, there are no indirect tax liabilities against our Company.

**3) Proceedings involving issues of moral turpitude or criminal liability on the part of our Company**

As on date of this Letter of Offer, there are no issues of moral turpitude or criminal liability on the part of our Company.

**4) Proceedings involving Material Violations of Statutory Regulations by our Company**

As on date of the Letter of Offer, there are no proceedings involving Material Violations of Statutory Regulations by our Company.

**5) Matters involving economic offences where proceedings have been initiated against our Company**

As on date of the Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company;

**6) Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company**

As on date of this Letter of Offer, there are no proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;

**LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP**

**Litigation Involving Actions by Statutory/Regulatory Authorities**

As on date of this Letter of Offer, there are no subsisting litigations involving actions by statutory/ regulatory authorities filed by or against our directors, promoters, and promoter group;

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoter or any of our directors are or have been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

**DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR THE FINANCIAL YEAR ENDING MARCH 31, 2021**

Except as mentioned in this Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.

## GOVERNMENT AND OTHER 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. In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/regulatory authority, or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made, or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

## BUSINESS RELATED APPROVALS

### TAX RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
a)	Permanent Account Number	Income Tax Department	AAACR1457P	NA	Valid until cancelled
b)	Tax Deduction Account Number	Income Tax Department	MUMK34466F	NA	Valid until cancelled
c)	GST Registration Mumbai Office	Government of India	27AAACR1457P1ZZ	08/01/2020	Valid until cancelled
d)	GST Registration Registered office	Government of India	27AAACR1457P1ZZ	08/01/2020	Valid until cancelled

### TRADEMARK RELATED APPROVALS

Our Company has yet to apply for the trademark registration under the Trademark Act, 1999.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

1. Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on 10<sup>th</sup> September 2022.
2. The Board of Directors of our Company in their meeting conducted on 15<sup>th</sup> May, 2023, approved this Issue inter-alia on the following terms:

<b>Issue Size</b>	Up to ₹48,85,71,426 (Rupees Forty-Eight Crores Eighty Five Lakhs Seventy One Thousand Four Hundred And Twenty Six Only);
<b>Issue Shares</b>	2,71,42,857
<b>Issue Price</b>	₹18 (Including premium of ₹17 per share )
<b>Issue Entitlement Ratio</b>	19:7
<b>Record Date</b>	Friday, May 19, 2023

3. This Letter of Offer has been approved at the meeting of the Board of Directors on May 19, 2023;
4. Receipt of In-principle approval from BSE Limited in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference number LOD/RIGHT/VK/FIP/36/2023-24 from BSE Limited dated April 19, 2023. Our Company will also make application to BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;
5. The Issue Price and the other terms and conditions pursuant to this Issue has been approved vide Board Resolution dated Monday, May 15, 2023.

### PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
2. The companies with which our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Willful Defaulters by the RBI;
4. None of our Directors are associated with the securities market in any manner;
5. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders;
6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;
7. There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors, Group Companies;

### ELIGIBILITY FOR THE ISSUE

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE Limited. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;



1. Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue.

#### **COMPLIANCE WITH SEBI (ICDR) REGULATIONS**

1. The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in);
2. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable;
3. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue;
4. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the SEBI and until date;
5. The reports, statements and information referred to above in clause (1) are available on the website of BSE Limited;
6. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.
7. As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

#### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company is in compliance with the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018.

#### **DISCLAIMER CLAUSE OF SEBI**

The Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is not exceeding ₹5,000.00 Lakhs.

#### **DISCLAIMER CLAUSES FROM OUR COMPANY**

Our Company accept no responsibility for the statements made otherwise than in this Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company 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 of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

#### **CAUTION**

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the

Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date of this Letter of Offer.

Our Company, and its directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

#### **DISCLAIMER WITH RESPECT TO JURISDICTION**

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

#### **DESIGNATED STOCK EXCHANGE**

The Designated Stock Exchange for the purpose of this Issue will be BSE Limited.

#### **DISCLAIMER CLAUSE OF BSE LIMITED**

As required, a copy of this Letter of Offer has been submitted to the BSE Limited. BSE Limited has given vide its letter dated May 19, 2023 to use its name in this Letter of Offer. The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE Limited.

Further, BSE Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
2. Warrant that our Company's Equity Shares will be listed or will continue to be listed on BSE Limited; or
3. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the BSE Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **FILING**

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is not exceeding ₹5,000.00 Lakhs which does not require issuer to file Letter of Offer with SEBI. The Company has filed Letter of Offer with the Stock Exchanges for obtaining in-principle approval.

#### **SELLING RESTRICTIONS**

The distribution of this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Right Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the BSE Limited. Accordingly, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Right Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Right Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Right Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Right Shares referred to in this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares in this Issue must provide an Indian address.

No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

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

**The contents of this Letter of Offer, the Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Right Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of Right Shares or Rights Entitlements. In addition, neither our Company nor any of their respective affiliates are making any representation to any offeree or purchaser of the Right Shares or the Rights Entitlements regarding the legality of an investment in the**

**Right Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.**

#### **NO OFFER IN THE UNITED STATES**

The Rights Entitlements and the Right Shares have not been and will not be registered under the United States Securities Act, 1933, as amended, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations under the Securities Act, except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Right Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Right Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Letter of Offer, the Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Entitlement Letter, and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Right Shares shall be made from US bank accounts and all persons subscribing for the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Right Shares in India.

**We, the Registrar, or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:**

- a. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Right Shares in compliance with all applicable laws and regulations;**
- b. Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**
- c. Where a registered Indian address is not provided;**
- d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;**

**And we shall not be bound to allot or issue any Right Shares in respect of any such Application Form.**

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

#### **INVESTOR GRIEVANCES AND REDRESSAL SYSTEM**

##### **1. Mechanism for Redressal of Investor Grievances**

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of 3 (Three) members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, Skyline Financial Services Private Limited for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

## 2. Investor Grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by Skyline Financial Services Private Limited, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' on page 110 of this Letter of Offer.

The contact details of the Registrar to the Issue and the Managing Director and CFO of our Company are as follows:

Managing Director and CFO	Registrar to the Issue
<b>Contact Person:</b> Mr. Rajiv Darji Managing Director and CFO Add: 5th Floor, Ruby Crescent Business Boulevard, Ashok Chakravati Road, Kandivali (East), Mumbai – 400101, Maharashtra, India; <b>Contact:</b> +91-77159 54966, <b>Website:</b> www.kcdindustries.com ; <b>E-mail:</b> compliance@kcdindustries.com ;	<b>Skyline Financial Services Private Limited</b> D 153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi - 110020, India <b>Contact Number:</b> +91 011-40450193-97 <b>Website:</b> www.skylinerta.com <b>Email:</b> ipo@skylinerta.com <b>SEBI Registration No:</b> INR000003241 <b>Contact Person:</b> Mr. Anuj Rana

## SECTION IX – ISSUE INFORMATION

### TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained the Issue Materials, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this t Letter of Offer. Unless otherwise permitted under the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.*

*Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Application by Eligible Shareholders Holding Equity Shares in Physical Form' on page 126 of this Letter of Offer.*

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

### IMPORTANT

#### 1. Dispatch and availability of Issue materials

In accordance with the SEBI (ICDR) Regulations , ASBA Circular, our Company will send/dispatch at least 3 (Three) days before the Issue Opening Date, the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other applicable Issue Materials only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them. Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) on the websites of:

Access of Documents on the website of	URL of websites
Company	<a href="http://kcdindustries.com">http://kcdindustries.com</a>
Registrar to the Issue	<a href="https://www.skylinerta.com/downloads_page.php">https://www.skylinerta.com/downloads_page.php</a>
BSE Limited	<a href="https://www.bseindia.com/stock-share-price/kcd-industries-india-ltd/kcdgroup/540696/corp-announcements/">https://www.bseindia.com/stock-share-price/kcd-industries-india-ltd/kcdgroup/540696/corp-announcements/</a>

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at [https://www.skylinerta.com/display\\_entitlement.php](https://www.skylinerta.com/display_entitlement.php) by entering their DP-ID, Client-ID, or Folio Number (for Eligible Equity Shareholders holding Equity)

Shares in physical form as on the Record Date and PAN. The link for the same shall also be available on the website of our Company at <http://www.kcdindustries.com/>.

Further, our Company will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. Please note that, our Company and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form (including by way of electronic means) will not constitute an offer, invitation to, or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Rights Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Shares offered in the Issue will be deemed to have declared, represented, and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

## **2. Process of making an Application in this Issue**

**In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled '*Procedure for Application through the ASBA Process*' on page 122, respectively of this Letter of Offer.**

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the

SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see the section entitled 'Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders' on page 112 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Entitlements by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see the paragraph titled 'Grounds for Technical Rejection' on page 144 of this Letter of Offer. Our Company, the Registrar to the Issue, and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI (ICDR) Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please see the section entitled 'Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process' on page 125 of Letter of Offer.



### 3. Credit of Rights Entitlements in demat accounts of Eligible Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations, read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and
- (ii) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise RightsEntitlements relating to:
  - (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
  - (b) Equity Shares held in the account of IEPF authority; or
  - (c) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
  - (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demataccounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
  - (e) Credit of the Rights Entitlements returned/reversed/failed; or
  - (f) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable
  - (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by Monday, June 12, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., [www.skylinerta.com](http://www.skylinerta.com)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e. [https://www.skylinerta.com/display\\_ipo\\_rightissue.php](https://www.skylinerta.com/display_ipo_rightissue.php)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. [www.kcdindustries.com](http://www.kcdindustries.com))

#### OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

Purpose	Link / Email- ID
Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors	<a href="http://www.skylinerta.com">www.skylinerta.com</a> / <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a>
Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders	

Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company	
Updating of demat account details by Eligible Shareholders holding shares in physical form	

## **RENOUNCEES**

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounce(s) as well.

## **BASIS FOR THIS ISSUE**

The Rights Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date i.e., Friday, May 19, 2023.

## **RIGHTS ENTITLEMENTS**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, i.e. Friday, May 19, 2023, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Common Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., [https://www.skylinerta.com/display\\_ipo\\_rightissue.php](https://www.skylinerta.com/display_ipo_rightissue.php)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. [www.kcdindustries.com](http://www.kcdindustries.com)).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. [www.skylinerta.com](http://www.skylinerta.com)). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

## PRINCIPAL TERMS OF THIS ISSUE

<b>Face Value</b>	Each Rights Equity Share will have the face value of ₹1.00/- (Rupee One Only).
<b>Issue Price</b>	₹ 18/- (Rupees Eighteen Only) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e., ₹ 18/- (Rupees Eighteen Only) per Rights Equity Share, including a premium of ₹ 17/- (Rupees Seventeen Only) per Rights Share). On Application, Investors will have to pay ₹ 4.50 (Rupees Four and Fifty Paise Only) per Rights Share, the Issue Price.
<b>Rights Entitlements Ratio</b>	The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 19 (Nineteen) Rights Equity Shares for every 7 (Seven) Equity Shares held by the Eligible Equity Shareholders as on the Record Date i.e., Friday, May 19, 2023.
<b>Renunciation of Rights Entitlements</b>	<p>This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.</p> <p>The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.</p> <p>The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see 'Procedure for Renunciation of Rights Entitlements' on page 123 of this Letter of Offer.</p> <p>In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.</p>
<b>Credit of Rights Entitlements in dematerialized account</b>	<p>In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date, i.e. Friday, May 19, 2023 ; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.</p> <p>In this regard, our Company has made necessary arrangements with NSDL and CDSL for the credit of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE185U20019. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renouncement or transfer only during the Renunciation Period, i.e., from Wednesday, May 31, 2023 to Friday, June 9, 2023 (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.</p> <p>Eligible Equity Shareholders, whose Rights Entitlement are credited in demat suspense escrow account opened by our Company are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the</p>

	<p>Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., by Monday, June 12, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e. <a href="http://www.skylinerta.com">www.skylinerta.com</a>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.</p> <p>Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.</p> <p><b>PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE ‘PROCEDURE FOR APPLICATION’ ON PAGE 125 OF THIS LETTER OF OFFER.</b></p>
<p><b>Trading of the Rights Entitlements</b></p>	<p>In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under Rights Entitlement ISIN INE185U20019. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.</p> <p>The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.</p> <p>The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Wednesday, May 31, 2023 to Friday, June 9, 2023 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounces on or prior to the Issue Closing Date. For details, see ‘Procedure for Renunciation of Rights Entitlements – On Market Renunciation’ and ‘Procedure for Renunciation of Rights Entitlements – Off Market Renunciation’ on page 137 and page no 138 respectively of this Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renounees, application in the Issue could be made until the Issue Closing Date. For details, see ‘Procedure for Application’ on page 125 of this Letter of Offer.</p> <p>Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.</p>

<b>Terms of Payment</b>	<p>₹18/- (Rupees Eighteen) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e., ₹ 18/- (Rupees Eighteen) per Rights Equity Share, including a premium of ₹ 17/- (Rupees Seventeen) per Rights Share).</p> <p>On Application, Investors will have to pay ₹4.50 (Rupees Four and Fifty Paise Only) per Rights Share which constitutes 25% (Twenty Five Percent) of the Issue Price, and the balance ₹ 13.50 (Rupees Thirteen and Fifty Paise Only) per Rights Share, Issue Price.</p> <p>Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un- blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. If there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.</p>
<b>Fractional Entitlements</b>	<p>The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 19 (Nineteen) Rights Equity Shares for every 7 (Seven) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders having 1 (One) Equity Shares will be entitled 2 (Two) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one (1) additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.</p> <p>For example, if an Eligible Equity Shareholder holds 1 (One) Equity Shares, such Equity Shareholder will be entitled to 2 (Two) Rights Equity Share and will also be given a preferential consideration for the Allotment of one (1) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.</p> <p>Further, the Eligible Equity Shareholders holding less than 1 (One) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favor of third parties.</p>
<b>Credit Rating</b>	As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.
<b>Ranking</b>	The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank pari passu with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid up equity capital of our Company.
	Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares

<p><b>Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue</b></p>	<p>will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE Limited vide its letter bearing reference number LOD/RIGTH/VK/FIP/36/2023-24 dated April 19, 2023. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.</p> <p>For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.</p> <p>The existing Equity Shares are listed and traded on BSE and Stock Exchanges (Symbol: KCDGROUP) under the ISIN: INE185U01035. The Rights Equity Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary RE ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.</p> <p>The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.</p> <p>In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four (4) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.</p> <p>For details of trading and listing of partly paid-up Rights Equity Shares, please refer to the heading 'Terms of Payment' at page 38 of this Letter of Offer.</p>
<p><b>Subscription to this Issue by our Promoters and our Promoter Group</b></p>	<p>For details of the intent and extent of subscription by our Promoter and the Promoter Group, please refer to the "Intention and participation by our Promoters and Promoter Group" on page 44 of this Letter of Offer.</p>
<p><b>Rights of Holders of Rights Equity Shares of our Company</b></p>	<p>Subject to applicable laws, Rights Equity Shareholders shall have the following rights:</p> <ul style="list-style-type: none"> <li>i. The right to receive dividend, if declared;</li> <li>ii. The right to vote in person, or by proxy;</li> <li>iii. The right to receive surplus on liquidation;</li> <li>iv. The right to free transferability of Rights Equity Shares;</li> </ul> <p>The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and</p> <p>Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.</p> <p>Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue</p>



## GENERAL TERMS OF THE ISSUE

<b>Market Lot</b>	The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialized mode is one (1) Equity Share.
<b>Joint Holders</b>	Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.
<b>Nomination</b>	<p>Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.</p> <p>Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.</p>
<b>Arrangements for Disposal of Odd Lots</b>	The Rights Equity Shares shall be traded in dematerialized form only and, therefore, the marketable lot shall be 1(one) Rights Equity Share and hence, no arrangements for disposal of odd lots are required.
<b>Restrictions on transfer and transmission of shares and on their consolidation/splitting</b>	There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019 and as amended vide SEBI Notification bearing No. SEBI/LAD-NRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.
<b>Notices</b>	<p>In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send / dispatch the Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials (“<b>Issue Materials</b>”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p> <p>Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.</p> <p>All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Maharashtra, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with the Stock</p>

	Exchanges for making the same available on their websites.
<b>Offer to Non-Resident Eligible Equity Shareholders/ I investors</b>	<p>As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favor of a person named by them; or (iii) apply for the shares renounced in their favor. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on <a href="mailto:info@skylinerta.com">info@skylinerta.com</a> or physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.</p> <p>The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their patriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.</p> <p>In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.</p> <p>Please note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.</p>

## PROCEDURE FOR APPLICATION

### How to Apply

**In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

For details of procedure for application by the resident Eligible Shareholders holding Equity Shares in physical form as on the Record Date, see '*Procedure for Application by Eligible Shareholders holding Equity Shares in physical form*' on page 126 of this Letter of Offer.



**The Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.**

### **Common Application Form**

The Common Application Form for the Rights Equity Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renounces and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company or Stock Exchanges.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

**Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).**

Access of Documents on the website of	URL of websites
Company	<a href="http://kcdindustries.com">http://kcdindustries.com</a>
Registrar to the Issue	<a href="https://www.skylinerta.com/downloads_page.php">https://www.skylinerta.com/downloads_page.php</a>
BSE Limited	<a href="https://www.bseindia.com/stock-share-price/kcd-industries-india-ltd/kcdgroup/540696/corp-announcements/">https://www.bseindia.com/stock-share-price/kcd-industries-india-ltd/kcdgroup/540696/corp-announcements/</a>

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at [https://www.skylinerta.com/display\\_ipo\\_rightissue.php](https://www.skylinerta.com/display_ipo_rightissue.php) by entering their DP-ID and Client-ID or Folio Number (Physical Shareholders) and PAN. The link for the same shall also be available on the website of our Company at <http://kcdindustries.com>.

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounces, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

**Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Investors are also advised to ensure that the Common Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Common Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see ‘Grounds for Technical Rejection’ on page 144 of this Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making a plain paper Application. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ‘*Application on Plain Paper under ASBA process*’ on page 125 of this Letter of Offer.

#### **OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS**

The Rights Entitlement Letter will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Rights Shares to the full extent of its Rights Entitlements; or
2. Apply for its Rights Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Rights Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Rights Shares to the full extent of its Rights Entitlements and apply for additional Rights Shares; or
5. Renounce its Rights Entitlements in full.

#### **PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS**

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

#### **Self-Certified Syndicate Banks**

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

**Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number ‘CIR/CFD/DIL/13/2012’ dated September 25, 2012, within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.**

The Company, its directors, employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

#### ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Rights Shares:

1. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date:

2. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and

**Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.**

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA processes*' on page 125 of this Letter of Offer.

#### ADDITIONAL RIGHT SHARES

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Shares under applicable law and they have applied for all the Rights Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 1 of this Letter of Offer.

**Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Shares.**

Non-resident Renounces who are not Eligible Equity Shareholders cannot apply for additional Rights Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

#### PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/ her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors. Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

### **On Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the Stock Exchanges under the RE ISIN INE185U20019 allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (One) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Wednesday, May 31, 2023 to Friday, June 9, 2023(both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the RE ISIN INE185U20019 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of the Stock Exchanges under automatic order matching mechanism and on 'T+2 rolling settlement bases', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and SEBI.

### **Off Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the RE ISIN INE185U20019 allotted for the Rights Entitlement subject to requisite approvals, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

### **APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to

the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

**PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED**

The application on plain paper, duly signed by the Eligible Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- a) Name of our Company, being '**KCD INDUSTRIES INDIA LIMITED**';
- b) Name and address of the Eligible Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- c) Registered Folio Number/DP-ID and Client ID Number;
- d) Number of Equity Shares held as on Record Date;
- e) Allotment option – only dematerialized form;
- f) Number of Rights Shares entitled to;
- g) Total number of Rights Shares applied for within the Rights Entitlements;
- h) Number of additional Rights Shares applied for, if any;
- i) Total Application Money at the rate of ₹18/- for Rights Shares;
- j) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- k) In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- l) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Shares applied for pursuant to this Issue;
- m) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- n) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- o) In addition, all such Eligible Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("**Regulation S**") to existing shareholders located in*

*jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and*

*under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

*I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.*

*I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.*

*I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

In cases where multiple Common Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Common Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.skylinerta.com](http://www.skylinerta.com).

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

#### **APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <http://kcdindustries.com>

**PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. Friday, May 19, 2023 and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date.
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Common Application Form from:

Access of Documents on the website of	URL of websites
Company	<a href="http://kcdindustries.com">http://kcdindustries.com</a>
Registrar to the Issue	<a href="https://www.skylinerta.com/downloads_page.php">https://www.skylinerta.com/downloads_page.php</a>
BSE Limited	<a href="https://www.bseindia.com/stock-share-price/kcd-industries-india-ltd/kcdgroup/540696/corp-announcements/">https://www.bseindia.com/stock-share-price/kcd-industries-india-ltd/kcdgroup/540696/corp-announcements/</a>

- (d) Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. [www.skylinerta.com](http://www.skylinerta.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. <http://kcdindustries.com>);
- (e) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

**PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. FRIDAY, MAY 19, 2023 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

**ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.**

**GENERAL INSTRUCTIONS FOR INVESTORS**

- a. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.



- b. Please read the instructions on the Common Application Form sent to you.
- c. The Common Application Form can be used by both the Eligible Equity Shareholders and the Renounces.
- d. Application should be made only through the ASBA facility.
- e. Application should be complete in all respects. The Common Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form are liable to be rejected. The Common Application Form must be filled in English.
- f. In case of non-receipt of Common Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section 'Application on Plain Paper under ASBA process' on page 138 of this Letter of Offer.
- g. In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- h. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- i. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- j. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- k. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Common Application Form.
- l. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Common Application Form.**
- m. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- n. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- o. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Common Application Form in the same order and as per the specimen signature(s) recorded with the



SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

- p. All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Common Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- q. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- r. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- s. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- t. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

**Do's:**

- a. Ensure that the Common Application Form and necessary details are filled in.
- b. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- c. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ('Demographic Details') are updated, true and correct, in all respects.
- d. Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- e. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- f. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- g. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- h. Ensure that you have authorised the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- i. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

- j. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.
- k. Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter.

**Don'ts:**

- a. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- b. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- c. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- d. Do not pay the Application Money in cash, by money order, pay order or postal order.
- e. Do not submit multiple Applications.
- f. Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- g. Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- h. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

**Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- a. DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- b. Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- c. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- d. Funds in the ASBA Account whose details are mentioned in the Common Application Form having been frozen pursuant to regulatory orders.
- e. Account holder not signing the Application or declaration mentioned therein.
- f. Submission of more than one Common Application Form for Rights Entitlements available in a particular demat account.
- g. Multiple Common Application Forms, including cases where an Investor submits Common Application Forms along with a plain paper Application.
- h. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- i. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

- j. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- k. Common Application Forms which are not submitted by the Investors within the time periods prescribed in the Common Application Form and the Letter of Offer.
- l. Physical Common Application Forms not duly signed by the sole or joint Investors.
- m. Common Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- n. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- o. Applications which: (i) does not include the certifications set out in the Common Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Common Application Form.
- p. Applications which have evidence of being executed or made in contravention of applicable securities laws.

**Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue**

**IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE COMMON APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

**Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the**

**Common Application Form or the plain paper**

Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Common Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Common Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

**The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar**

**or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Common Application Forms are liable to be rejected.

## **MODE OF PAYMENT**

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB. The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form. The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

### **Mode of payment for Resident Investors**

Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.

Ensure that you have authorized the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.

Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Common Application Form and the Rights Entitlement Letter. All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

### **Mode of payment for non-resident Investors**

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

Individual non-resident Indian Applicants who are permitted to subscribe to Rights Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, the BSE Limited and our Company;

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

### **Notes**

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;

In case Rights Shares Are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India;

In case of an Common Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;

Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;

In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;

Non-resident Renounces, who are not Eligible Shareholders, must submit regulatory approval for applying for additional Rights Shares;

### **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see 'Procedure for Applications by Mutual Funds' on page 154 of this Letter of Offer.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in 'Capital Structure – Intention and extent of participation by our Promoters Chapter' on page 53 of this Letter of Offer.

### **Last date for Application**

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is Wednesday, June 14, 2023, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Common Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the paragraph titled 'Basis of Allotment' on page 135. of this Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Common Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### **Withdrawal of Application**

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

#### **Issue Schedule**

<b>LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS</b>	<b>Thursday, May 25, 2023</b>
<b>ISSUE OPENING DATE</b>	<b>Wednesday, May 31, 2023</b>
<b>LAST DATE FOR ON MARKET RENUNCIATION*</b>	<b>Friday, June 9, 2023</b>
<b>ISSUE CLOSING DATE#</b>	<b>Wednesday, June 14, 2023</b>
<b>FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)</b>	<b>Wednesday, June 21, 2023</b>
<b>DATE OF ALLOTMENT (ON OR ABOUT)</b>	<b>Wednesday, June 21, 2023</b>
<b>DATE OF CREDIT (ON OR ABOUT)</b>	<b>Friday, June 23, 2023</b>
<b>DATE OF LISTING/ TRADING (ON OR ABOUT)</b>	<b>Thursday, June 29, 2023</b>

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

#Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date, i.e. Wednesday, June 14, 2023.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, i.e. Friday, May 19, 2023, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., Monday, June 12, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e. Tuesday, June 13, 2023.

For details, please see the section titled 'General Information' on page 39 of this Letter of Offer.

#### **BASIS OF ALLOTMENT**

Subject to the provisions contained in this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Shares in the following order of priority:

Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Rights Shares either in full or in part and also to the Renounce(s) who has or have applied for Rights Shares renounced in their favor, in full or in part.

Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Shares after allotment under (a) above. If number of Rights Shares required for Allotment under this head are more than the number of Rights Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

Allotment to the Eligible Shareholders who having applied for all the Rights Shares offered to them as part of this Issue, have also applied for additional Rights Shares. The Allotment of such additional Rights Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Shares after making full Allotment in (1) and (2) above.

The Allotment of such Rights Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

Allotment to Renounces who having applied for all the Rights Shares renounced in their favor, have applied for additional Rights Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Shares in this Issue, along with:

The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

#### **ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e- mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e- mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.



## **PAYMENT OF REFUND**

### **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

#### **Unblocking amounts blocked using ASBA facility.**

National Automated Clearing House (hereinafter referred to as 'NACH') – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

National Electronic Fund Transfer (hereinafter referred to as 'NEFT') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as 'IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

### **Refund payment to non-residents**

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

#### **Allotment Advice or Demat Credit of Securities**

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

### **Receipt of the Rights Equity Shares in Dematerialized Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT**

**PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.**

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated 16<sup>th</sup> March, 2019 with NSDL and an agreement dated 12<sup>th</sup> March, 2019 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Common Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Common Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Equity Shares and the Common Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounces will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

### **Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe 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 issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred to are pre – approved by the FPI.

### **Procedure for Applications by AIFs, FVCIs and VCFs**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

### **Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

#### **Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

#### **Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)**

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited consolidated financial statements is required to be attached to the application.

#### **Impersonation**

**As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:**

**“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; 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 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 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 up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 5 million or with both.

#### **Payment by stock invest**

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## **DISPOSAL OF APPLICATION AND APPLICATION MONEY**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or our duly authorized committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Common Application Form carefully.

## **UTILISATION OF ISSUE PROCEEDS**

Our Board declares that:

All monies received out of this Issue shall be transferred to a separate bank account;

Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.

The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 (Fifteen) days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants. Adequate arrangements shall be made to collect all ASBA Applications.

Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

## MINIMUM SUBSCRIPTION

This issue is subject to being in receipt of 90.00% (Ninety Percent) of the Issue. If our Company does not receive the minimum subscription of 90.00% (Ninety Percent) of the Equity Shares being offered under this issue, on an aggregate basis, our Company shall refund the entire subscription amount, not later than 4 (Four) days from the closure of the Issue. In the event there is a delay in unblocking of ASBA beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

## IMPORTANT

Please read the Issue Materials carefully before taking any action. The instructions contained in the Issue Materials are an integral part of the conditions and must be carefully followed; otherwise the Application is liable to be rejected.

All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed ' KCD INDUSTRIES INDIA LIMITED– RIGHT ISSUE' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

**Skyline Financial Services Private Limited**

**Address:** D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020

**Contact person:** Mr. Anuj Rana

**Telephone number:** 011-40450193-97

**Fax number:** NA

**E-mail ID:** ipo@skylinerta.com

**Website:** www.skylinerta.com

**SEBI registration number:** INR000003241

**Investor grievance e-mail:** grievances@skylinerta.com

**CIN:** U74899DL1995PTC071324

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.skylinerta.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 011-40450193-97.

This Issue will remain open for a minimum 7 (Seven) days. However, our Board or our duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the "government route", where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ('**FDI Circular 2020**'), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable

laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



## SECTION X – OTHER INFORMATION

Please note that the Right Shares applied for under this Issue can be allotted only in dematerialised form and to:

- (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor Friday, May 19, 2023, being on the Record Date; or
- (b) the depository account, details of which have been provided to our Company or the Registrar at least by Monday, June 12, 2023, being than 2 (two) working days prior to Wednesday, June 14, 2023], being the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date; or
- (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

## **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at [www.kcdindustries.com](http://www.kcdindustries.com) in from the date of this Letter of Offer until the Issue Closing Date.

### **MATERIAL CONTRACTS FOR THE ISSUE**

1. Registrar Agreement dated May 8, 2023, 2023, between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated May 8, 2023 among our Company, the Registrar to the Issue and the Bankers to the Issue;

### **MATERIAL DOCUMENTS IN RELATION TO THE ISSUE**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our company;
2. Certificate of incorporation and fresh certificate of incorporation pursuant to change of name of our company;
3. Copies of annual report of our Company for the last three Financial Years for the Financial Year ending March 31, 2022, March 31, 2021, March 31, 2020;
4. Resolution of our Board of Directors dated September 12, 2022, approving the Issue;
5. Resolution of our Board of Directors dated May 15, 2023, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
6. Resolution of our Board of Directors dated February 24, 2023, approving this Draft Letter of Offer;
7. Resolution of our Board of Directors dated May 19, 2023, approving the Letter of Offer;
8. Consents of our Directors, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
9. Report on Statement of Special Tax Benefits dated Tuesday, August 02, 2022, for our Company from the Statutory Auditors of our Company;
10. In-principle approval issued by BSE Limited dated April 19, 2023;

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Sd/- <b>Mr. Arun Kuttan</b> <b>Chairman &amp; Non-executive Director</b> <b>DIN: 09844434</b>	Sd/- <b>Mr. Sagar Shetty</b> <b>Non-executive Director</b> <b>DIN: 09213119</b>
Sd/- <b>Mr. Rajiv Chadulal Darji</b> <b>Managing Director &amp; Chief Financial Officer</b> <b>DIN: 02088219</b>	Sd/- <b>Mr. Pratik Mukesh Popat</b> <b>Independent Director</b> <b>DIN: 08415025</b>
Sd/- <b>Mrs. Minal Darshan Panchal</b> <b>Independent Director</b> <b>DIN: 08415023</b>	

**Date: May 19, 2023**

**Place: Mumbai**