



## SBS FOOD COURTS LIMITED

CIN - U55101MH2021PLC359764

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 in the name and style of "M/s. S.B.S Food Court", pursuant to a deed of partnership dated October 18, 2004. Subsequently, the constitution of partnership firm was changed on December 29, 2004 and January 20, 2021 by admission of partners. "M/s. S.B.S Food Court" was thereafter converted from a partnership firm to a public limited company under Part I chapter XXI of the Companies Act, 2013 in the name of "SBS Food Courts Limited" and received a certificate of incorporation dated April 30, 2021 from the Registrar of Companies, Central Registration Centre. For further details, please refer to chapter titled "History and Corporate Structure" beginning on page 110 of this Draft Prospectus.


**Registered Office:** 2, Asiad Apartment, Adarsh Society Road, Near SNTD College, Malad West, Mumbai - 400064, Maharashtra, India.

**Corporate Office:** Kavi Ram Basakhetre Road, Near Marks and Spencer, Lokhandwala Complex, Andheri (West), Mumbai - 400053, Maharashtra, India

**Tel. No.:** 022-28821111; **E-mail:** [info@sbsfcl.com](mailto:info@sbsfcl.com); **Website:** [www.sbsfcl.com](http://www.sbsfcl.com)

**Contact Person:** Mr. Prashant Agarwal, Company Secretary and Compliance Officer.

**OUR PROMOTER:** MR. JOSEPH SEQUEIRA, MRS. CATHERINE LAWRENTIA D'SOUZA AND MR. LAWRENCE A SEQUEIRA

THE ISSUE	
<p><b>INITIAL PUBLIC ISSUE OF UPTO 6,50,000 EQUITY SHARES OF RS. 10/- EACH ("EQUITY SHARES") OF SBS FOOD COURTS LIMITED ("SBS" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. [●] LAKHS ("THE ISSUE"), OF WHICH UPTO [●] EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO [●] EQUITY SHARES OF RS. [●] EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●]%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO 198 OF THIS DRAFT PROSPECTUS.</b></p>	
THE FACE VALUE OF THE EQUITY SHARE IS RS. 10/- AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE	
<p>In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") this Issue is being made for at least 25% of the Post-Issue Paid-up Equity Share capital of our Company. This Issue is a Fixed Price Issue in compliance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (The "SEBI ICDR Regulations"), as amended and Allocation in the Net Issue to the Public will be made in terms of regulation 253 of the SEBI ICDR Regulations, as amended. In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 and SEBI/HO/CFD/DIL2/CIR/P/2018/138, All Applicants shall only participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process by providing details about the respective bank account (including UPI ID for RIIs using UPI Mechanism) wherein the Application Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism as the case may be, to the extent of respective Application Amount. For further details, please refer to chapter titled "Issue Procedure" beginning on page 208 of this Draft Prospectus.</p>	
RISK IN RELATION TO THE FIRST ISSUE	
<p>This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs.10/- each and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under chapter titled "Basis for Issue Price" beginning on Page No. 72 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.</p>	
GENERAL RISKS	
<p>Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to chapter titled "Risk Factors" beginning on Page No. 24 of this Draft Prospectus.</p>	
ISSUER'S ABSOLUTE RESPONSIBILITY	
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
LISTING	
<p>The Equity Shares offered through this Draft Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE") in terms of the Chapter IX of the SEBI ICDR Regulations as amended from time to time. Our Company has received an In-Principal Approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in this offer document for listing our shares on the NSE EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>SHRENI SHARES PRIVATE LIMITED</b>  <b>SEBI Registration Number:</b> INM000012759  Office No. A-102, 1st Floor, Sea Lord CHSL,  Above Axis Bank, Ram Nagar, Borivali (West),  Mumbai- 400092, Maharashtra, India  <b>Tel No.:</b> +91 - 22 - 2808 8456  <b>Email:</b> <a href="mailto:shrenishares@gmail.com">shrenishares@gmail.com</a>  <b>Investors Grievance Id:</b> <a href="mailto:info@shreni.in">info@shreni.in</a>  <b>Website:</b> <a href="http://www.shreni.in">www.shreni.in</a>  <b>Contact Person:</b> Ms. Kritika Rupda  <b>CIN:</b> U67190MH2009PTC195845</p>	 <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b>  <b>SEBI Registration Number:</b> INR000001385  1<sup>st</sup> Floor, Bharat Tin Works Building,  Opp. Vasant Oasis, Makwana Road, Marol,  Andheri (East), Mumbai-400059, Maharashtra, India  <b>Tel No.:</b> +91- 022-6263 8200  <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>  <b>Investor grievance:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>  <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>  <b>Contact Person:</b> Mr. Swapnil Kate  <b>CIN:</b> U99999MH1994PTC076534</p>
ISSUE OPENS ON	ISSUE CLOSES ON
[●]	[●]

**THIS PAGE HAS BEEN KEPT BLANK PURSUANT  
TO SCHEDULE VI OF  
SECURITIES AND EXCHANGE BOARD OF INDIA  
(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

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## **SECTION I – GENERAL**

### **DEFINITIONS AND ABBREVIATIONS**

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

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

*Notwithstanding the foregoing, terms used in of the chapters “Industry Overview”, “Key Regulations and Policies”, “Statement of Possible Special Tax Benefits”, “Restated Financial Statements”, “Basis for Issue Price”, “History and Corporate Structure”, “Other Regulatory and Statutory Disclosures”, “Outstanding Litigations and Material Developments” and “Description of Equity Shares and Terms of the Articles of Association” on pages 78, 99, 75, 134, 72, 110, 187 and 250, respectively, shall have the meaning ascribed to such terms in such sections.*

#### **General Terms**

<b>Term</b>	<b>Description</b>
“SBS”, “the Company”, “our Company” and SBS Food Courts Limited	SBS Food Courts Limited, a company incorporated in India under the Companies Act 2013 having its Registered office at 2, Asiad Apartment, Adarsh Society Road, Near SNTD College, Malad West, Mumbai - 400064, Maharashtra, India.  Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 (“Partnership Act”) in the name and style of “M/s. S.B.S Food Court”, pursuant to a deed of partnership dated October 18, 2004. Subsequently, the constitution of partnership firm was changed on December 29, 2004 and January 20, 2021 by admission of partners. “M/s. S.B.S Food Court” was thereafter converted from a partnership firm to a public limited company under Part I chapter XXI of the Companies Act, 2013 in the name of “SBS Food Courts Limited”.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Issue

#### **Company related terms**

<b>Term</b>	<b>Description</b>
AOA / Articles / Articles of Association	Articles of Association of SBS Food Courts Limited as amended from time to time.
Audit Committee	The Audit Committee of our Board constituted in accordance with Section 177 of the Companies Act, 2013
Auditors/ Statutory Auditors/ Joint Auditors	The Auditors of SBS Food Courts Limited being M/s A Y & Company and M/s R. Pasad & Co, Chartered Accountants.
Bankers to the Company	Union Bank of India
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “Our Management” beginning on page 114 of this Draft Prospectus.
Chairman/ Chairperson	The Chairman/ Chairperson of Board of Directors of our Company being Mr. Lawrence A Sequeira
CIN	Corporate Identification Number of our Company i.e. U55101MH2021PLC359764
Chief Financial Officer/CFO	The Chief Financial Officer of our Company being Mr. Milind Sunil Yennemadi

Corporate Office	Kavi Ram Basakhetre Road, Near Marks and Spencer, Lokhandwala Complex, Andheri (West), Mumbai – 400053, Maharashtra, India
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mr. Prashant Agarwal.
DIN	Directors Identification Number.
Director(s) / our directors	The Director(s) of our Company, unless otherwise specified.
Erstwhile Partnership Firm	S.B.S Food Court
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company.
Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and also other companies as considered material by our Board of the issuer as disclosed in “Information in respect of our Group Company” on page 185 of this Draft Prospectus.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the Listing Regulations.
ISIN	International Securities Identification Number. In this case being [●]
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013. For details, see section entitled “Our Management” on page 114 of this Draft Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on October 16, 2021, in accordance with the requirements of the SEBI ICDR Regulations.
MD or Managing Director	The Managing Director of our Company being Mr. Lawrence A Sequeira.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of SBS Food Courts Limited as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013.
Non-Executive Director	A Director not being an Executive Director or an Independent Director
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s A Y & Company, Chartered Accountants.
Promoter(s)	Shall mean promoters of our Company i.e. Mr. Joseph Sequeira, Mr. Lawrence A Sequeira and Ms. Catherine Lawrentia D’Souza. For further details, please refer to section titled “Our Promoters and Promoter Group” beginning on page 127 of this Draft Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI ICDR Regulations as enlisted in the section titled “Our Promoters and Promoter Group” beginning on page 127 of this Draft Prospectus.
Registered Office	2, Asiad Apartment, Adarsh Society Road, Near SNDT College, Malad West, Mumbai - 400064, Maharashtra, India.
Restated Financial Information	The restated audited financial information of the Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information, for the stub period ended on May 31, 2021, April 29, 2021 and for the years ended March 31, 2021, 2020 and 2019 together with the annexure and notes thereto.
RoC/ Registrar of Companies	Registrar of Companies, Mumbai.
Shareholders	Shareholders of our Company
Stock Exchange/ NSE EMERGE	SME Platform of National Stock Exchange of India Limited.
Subscriber to MOA/Initial Promoters	Initial Subscriber to MOA & AOA being Mr. Lawrence A Sequeira, Mr. Josly Eric Sequeira, Mr. Alwin Sequeira, Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D’Souza, Mr. Vansh Manish Shah & Ms. Deshma Richard Sequeira.

Stakeholders Relationship Committee	The Stakeholder's relationship committee of our Board constituted in accordance with section 178(5) of the Companies Act, 2013.
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## ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form in terms of which the Applicant shall make an Application, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Prospectus.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)/ Applicant	Any prospective investor who makes an application pursuant to the terms of the draft Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the Draft Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker to the Issue and Sponsor Bank Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue and Sponsor Bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Escrow Account
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in "Issue Procedure" on page 208 of this Draft Prospectus.
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Circular's on streamlining of Public Issue	Circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 amended by circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular

Terms	Description
	(SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and any subsequent circulars issued by SEBI in this regard.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, occupation and Bank Account details.
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated Market Maker	[•] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited.
DP ID	Depository Participant's Identity Number
Draft Prospectus	This Draft Prospectus dated November 29, 2021 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.



Terms	Description
First Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Fresh Issue	The Fresh Issue of upto 6,50,00 Equity Shares by our Company having face value of Rs.10/- each at a price of Rs. [●] per equity share aggregating to Rs. [●] Lakhs, to be issued by our Company for subscription pursuant to the terms of this Draft Prospectus.
Fresh Issue Proceeds	The proceeds of the Fresh Issue as stipulated by the Company. For further information about use of the Fresh Issue Proceeds please see the chapter titled “Objects of the Issue” beginning on Page No. 67 of this Draft Prospectus.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offender Act, 2018.
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchange and the LM
Issue Agreement	The Issue Agreement amongst our Company and the Lead Manager dated October 26, 2021
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please refer the chapter titled “Objects of the Issue” beginning on Page No. 67 of this Draft Prospectus
Issue/ Issue Size / Public Issue/ IPO	This Initial Public Issue of upto 6,50,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per equity share aggregating to Rs. [●] lakhs by our Company.
Issue Closing date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI ICDR Regulations. In this case being [●]
Issue Opening date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI ICDR Regulations. In this case being [●]
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under this Draft Prospectus being Rs. [●] per share.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their applications.
LM / Lead Manager	Lead Manager to the Issue, in this case being Shreni Shares Private Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker	Market Maker of the Company, in this case being [●]
Market Maker Reservation Portion	The Reserved portion of upto [●] Equity shares of Rs. 10/- each at an Issue Price of Rs. [●] aggregating to Rs. [●] Lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [●].
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.



Terms	Description
Net Issue	The Net Issue of [●] Equity Shares of Rs. 10/- each at Rs. [●] per Equity Share aggregating to Rs. [●] lakhs by our Company.
Non-Institutional Applicant / Investors	All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs).
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIIs registered with SEBI and FVCIs registered with SEBI.
NSE	National Stock Exchange of India Limited
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body / OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registrar Agreement	The agreement dated September 29, 2021 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Bigshare Services Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000
Registered Broker	Individuals or companies registered with SEBI as "Trading Members"(except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and

Terms	Description
	in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●].
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriter(s)	[●]
Underwriting Agreement	The Agreement among the Underwriter(s) and our Company dated [●].
“Unified Payments Interface” or “UPI”	The instant payment system developed by the National Payments Corporation of India (NPCI).
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI mechanism	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with UPI circulars.
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Draft Prospectus are open for business: 1. However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Draft Prospectus are open for business. 2. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.

## INDUSTRY RELATED TERMS

Term	Full Form
APC	Average Per Cover
CAGR	Compounded Annual Growth Rate

CDR	Casual Dining Restaurant
FDR	Fine Dining Restaurant
F&B	Food and Beverage
GSI	Guest Satisfaction Index
QSR	Quick Service Restaurant
SBN	Specified Bank Notes
PR	Public Relations
PFCE	Private Final Consumption Expenditure
KPIs	Key Performance Indicators

## CONVENTIONAL TERMS / ABBREVIATIONS

Term	Description
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
Banking Regulation Act	The Banking Regulation Act, 1949
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Category I Alternate Investment Fund / Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I Foreign Portfolio Investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II Foreign Portfolio Investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations

<b>Term</b>	<b>Description</b>
Category III Alternate Investment Fund / Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate social responsibility.
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Depository/ Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee’s State Insurance Corporation
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions

Term	Description
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ₹/ Rupees/Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
i.e	That is
IAS Rules	The Companies (Indian Accounting Standards) Rules, 2015
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering

Term	Description
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MoA	Memorandum of Association
MRP	Maximum Retail Price
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
Nifty	Nifty in an index; market indicator of the position of stock that is listed in the NSE
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NSE EMERGE	SME Platform of National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time

<b>Term</b>	<b>Description</b>
SCSB	Self Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds as defined under the SEBI AIF Regulations
VAT	Value Added Tax
w.e.f.	With effect from
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(iii) of the SEBI ICDR Regulations
YoY	Year over Year

The words and expressions used but not defined in this Draft Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.



Notwithstanding the foregoing, terms in “Description of Equity Shares and Terms of the Articles of Association”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Financial Information of our Company”, “Outstanding Litigations and Material Developments” and “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

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

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “SBS Food Courts Limited”, “SBS”, and, unless the context otherwise indicates or implies, refers to SBS Food Courts Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **Use of Financial Data**

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated for the stub period ended on May 31, 2021, April 29, 2021 and financial year ended on March 31, 2021, March 31, 2020 and March 31, 2019 in accordance with Indian GAAP, the Companies Act and SEBI ICDR Regulations included under Section titled “Financial Information of our Company” beginning on page 134 of this Draft Prospectus. Our Company was incorporated by conversion of erstwhile Partnership firm on April 30, 2021, hence financial data is presented as on May 31, 2021, April 29, 2021 being cut off date of erstwhile partnership firm and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019. Our Company does not have any subsidiary, accordingly financial information relating to us is presented on Standalone basis only. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

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

Any percentage amounts, as set forth in “Risk Factors”, “Business Overview”, “Management’s Discussion & Analysis of Financial Condition & Results of Operations” and elsewhere in the Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “Financial Information of our Company” beginning on page 134 of this Draft Prospectus.

For additional definitions used in this Draft Prospectus, see the section “Definitions and Abbreviations” on page 01 of this Draft Prospectus. In the section titled “Description of Equity Shares and Terms of the Articles of Association”, on page 250 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### **Currency and Units of Presentation**

All references to:

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

Our Company has presented certain numerical information in this Draft Prospectus in “Lakhs” units. One Lakh represents 1,00,000. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

## **Definitions**

For definitions, please refer the Chapter titled “Definitions and Abbreviations” on Page No. 01 of this Draft Prospectus. In the Section titled “Description of Equity Shares and Terms of the Articles of Association” beginning on Page No. 250 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

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

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

Although, we believe industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI ICDR Regulations, the chapter titled “Basis for Issue Price” on page 72 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

## **FORWARD LOOKING STATEMENTS**

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

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

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

1. Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
2. Changes in laws and regulations relating to the sectors/areas in which we operate;
3. Increased competition in hospitality industry
4. Our ability to successfully implement our growth strategy and expansion plans;
5. Our ability to meet our further capital expenditure requirements;
6. Fluctuations in operating costs;
7. Our ability to attract and retain personnel;
8. Conflict of Interest with affiliated companies, the promoter group and other related parties
9. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
10. Changes in government policies and regulatory actions that apply to or affect our business.
11. Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
12. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. The occurrence of natural disasters or calamities;
14. Our inability to maintain or enhance our brand recognition;
15. Inability to adequately protect our trademarks and
16. Changes in consumer demand.
17. Other factors beyond our control; and
18. Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause our actual results to differ, see the chapter titled "Risk Factors"; “Business Overview” & and "Management’s Discussion & Analysis of Financial Condition & Results of Operations” beginning on page 24, 86 & 164 respectively of the Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

## **SECTION II: OFFER DOCUMENT SUMMARY**

### **A. PRIMARY DETAIL OF BUSINESS AND INDUSTRY**

#### **Summary of our Business**

Our company is engaged in event and dining segment of hospitality industry. We also undertake outdoor catering and provide banquet facilities for events. Our Company operates its restaurants and banquets under the brand name of “Flag’s”. Food service is a dominant segment of the hospitality industry that represents a significant proportion of the economy. Our company specializes in semi fine dining restaurants with special emphasis on vegetarian food and providing variety of world cuisines under one roof.

For further details, please refer chapter titled “Business Overview” beginning on Page no. 86 of this Draft Prospectus.

#### **Summary of our Industry**

We operate in services sector which is not only the dominant sector in India’s GDP, but has also attracted significant foreign investment, and has contributed significantly to export and has provided large-scale employment. India’s services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction.

For further details, please refer chapter titled “Industry Overview” beginning on Page no. 78 of this Draft Prospectus.

### **B. OUR PROMOTERS**

Our company is promoted by Mr. Joseph Sequeira, Mrs. Catherine Lawrentia Dsouza and Mr. Lawrence A Sequeira,

### **C. SIZE OF THE ISSUE**

Initial Public Issue of upto 6,50,000 Equity Shares of Face Value of ₹10/- each of SBS Food Courts Limited (“SBS” or “Our Company”) for Cash at a Price of Rs. [●] Per Equity Share (Including a Share Premium of Rs. [●] per Equity Share) (“Issue Price”) aggregating to Rs. [●] Lakhs, of which [●] Equity Shares of Face Value of ₹ 10/- each at a price of Rs. [●] aggregating to Rs. [●] Lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of [●] Equity Shares of Face Value of ₹10/- each at a price of Rs. [●] aggregating to Rs. [●] Lakhs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute [●] and [●] respectively of the Post Issue paid up Equity Share Capital of Our Company.

### **D. OBJECT OF THE ISSUE**

The fund requirements for each of the Object of the Issue are stated as below:

S. No	Particulars	Amt. (₹ in Lakhs)	% of Total Issue Size
1.	To Meet Working Capital Requirement	[●]	[●]
2.	General Corporate Expenses	[●]	[●]
3.	Public Issue Expenses	[●]	[●]
<b>Gross Issue Proceeds</b>		[●]	
<b>Less: Issue Expenses</b>		[●]	
<b>Net Issue Proceeds</b>		[●]	

### **E. PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY**

S. No	Names	Pre Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held

	Promoter				
1.	Mr. Joseph Sequeira	12,33,333	82.22	1,23,333	[•]
2.	Ms. Catherine Lawrentia Dsouza	1,25,000	8.33	1,25,000	[•]
3.	Mr. Lawrence A Sequeira	1,30,000	8.67	1,30,000	[•]
	<b>TOTAL (A)</b>	<b>14,88,333</b>	<b>99.22</b>	<b>14,88,333</b>	<b>[•]</b>
	Promoter Group				
1.	Mr. Josly Eric Sequeira	2,917	0.19	2,917	[•]
2.	Mr. Alwin Sequeira	2,917	0.19	2,917	[•]
3.	Mr. Vansh Manish Shah	2,917	0.19	2,917	[•]
4.	Ms. Deshma Richard Sequeira	2,917	0.19	2,917	[•]
	<b>TOTAL (B)</b>	<b>11,667</b>	<b>0.78</b>	<b>11,667</b>	<b>[•]</b>
	<b>GRAND TOTAL (A+B)</b>	<b>15,00,000</b>	<b>100.00</b>	<b>15,00,000</b>	<b>[•]</b>

For further details, refer section titled “Capital Structure” beginning on page no. 56 of this Draft Prospectus.

#### F. SUMMARY OF RESTATED FINANCIAL STATEMENT

(Amount in Lakhs)

Particulars	For the stub period ended May 31, 2021	For the stub period ended April 29, 2021	For the year ended March 31,		
			2021	2020	2019
Share Capital	90.00	462.69	457.13	201.09	306.90
Net Worth	208.48	462.69	457.13	201.09	306.90
Total Revenue	37.71	33.23	639.75	655.85	255.20
Profit after Tax	1.24	0.04	10.52	0.88	(1.66)
Earnings Per Share	0.17	0.01	1.50	0.13	(0.24)
Net Asset Value Per Share (₹)	23.16	66.10	65.30	28.73	43.84
Total Borrowings	249.94	3.75	3.69	319.41	351.99

G. There are no material Auditor’s Qualifications in any of the Financial Statements of the Company.

#### H. SUMMARY OF OUTSTANDING LITIGATIONS:

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
<b>Litigation filed by against Company, Directors and Promoters</b>		
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	1	Not Ascertainable
Tax Proceedings (Outstanding Demand)	--	--
Other Litigation	--	--

For further information, please refer chapter titled “Outstanding Litigations and Material Developments” on page no. 179 of this Draft Prospectus.

I. Investors should read chapter titled “Risk Factors” beginning on page no. 24 of this Draft Prospectus to get a more informed view before making any investment decisions.

#### J. SUMMARY OF CONTINGENT LIABILITIES

There is no contingent Liabilities as on May 31, 2021, April 29, 2021, March 31, 2021, March 31, 2020 & March 31, 2019. For further information, please refer “Annexure VIII – Restated Statement of Contingent Liabilities” under chapter titled “Restated Financial Statements” on page no. 134 of this Draft Prospectus.

#### K. SUMMARY OF RELATED PARTY TRANSACTIONS

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.



**List of Related Parties and Nature of Relationship:**

Relationship with Related party	Name of related parties
Key Managerial Personnel	Catherine Dsouza
	Joseph Sequeira
	Lawrence Sequeira
	Alwin Sequeira
	Josly Eric Sequeira
	Deshma Richard Sequeira
	Vansh Shah
Associate Concerns	Flag Hotels Pvt. Ltd
	Flag Marriage & Party Hall (Prop. Joseph Sequeira)
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.	

**Transactions carried out with related parties referred to in (A) above, in ordinary course of business:**

Nature of Transactions	Name of Related Parties	As at 31st May 2021	As at 29th April 2021	As at March 31		
				2021	2020	2019
1. Partners/Directors Remuneration	Catherine Dsouza	-	-	4.55	6.00	5.95
	Joseph Sequeira		-	-	-	-
	Lawrence Sequeira	1.40	-	4.55	6.00	5.95
	Alwin Sequeira		-	2.00		
	Josly Eric Sequeira	1.40	-	6.00		
	Deshma Richard Sequeira		-	2.00		
	Vansh Manish Shah		-	2.00		
<b>Total</b>		<b>2.80</b>	<b>-</b>	<b>21.10</b>	<b>12.00</b>	<b>11.89</b>
2. Capital Contribution/Withdrawal	Catherine Dsouza	1.20	-	(11.27)	(12.99)	190.72
	Joseph Sequeira	17.30	6.89	154.61	(104.67)	582.05
	Lawrence Sequeira	1.50	(0.17)	81.61	(0.37)	191.43
	Alwin Sequeira	-	-	(0.91)	-	-
	Josly Eric Sequeira	-	(0.11)	0.53	-	-
	Deshma Richard Sequeira	-	-	(0.03)	-	-
	Vansh Manish Shah		(1.10)	(0.15)	-	-
<b>Total</b>		<b>20.00</b>	<b>5.52</b>	<b>224.39</b>	<b>(118.04)</b>	<b>964.21</b>
3. Loans & Advances/Deposits	<b>Flag Hotels Pvt. Ltd (Deposit)</b>					
	Opening Balance	600.00	600.00	-	-	-
	Add: Addition During the Year	-	-	600.00	-	-
	Less: Received During the Year	-	-	-	-	-
	<b>Closing Balance</b>	<b>600.00</b>	<b>600.00</b>	<b>600.00</b>	<b>-</b>	<b>-</b>
				<b>-</b>		
	<b>Flag Hotels Pvt. Ltd</b>					
	Opening Balance	(30.94)	(29.22)	631.87	603.96	510.29
	Add: Addition During the Year	7.00	6.74	218.28	437.29	297.21

	Less: Received During the Year	6.15	8.45	879.37	409.38	203.54
	<b>Closing Balance</b>	<b>(30.09)</b>	<b>(30.94)</b>	<b>(29.22)</b>	<b>631.87</b>	<b>603.96</b>
	<b>Alwin Sequeira</b>	-				
	Opening Balance	-	-	<b>0.83</b>	-	-
	Add: Addition During the Year	-	-	-	0.83	-
	Less: Received During the Year	-	-	<b>0.83</b>	-	-
	<b>Closing Balance</b>	-	-	-	<b>0.83</b>	-
	<b>Josly Eric Sequeira</b>	-				
	Opening Balance	-	-	<b>0.75</b>	-	-
	Add: Addition During the Year	-	-	-	0.75	-
	Less: Received During the Year	-	-	<b>0.75</b>	-	-
	<b>Closing Balance</b>	-	-	-	<b>0.75</b>	-
4. Rental Expenses	Flag Hotels Pvt. Ltd (Deposit)	2.63	2.63	31.50	-	-
5. Salary Expenses	Catherine Dsouza	1.40				
6. Unsecured Loans	<b>Alwin Sequeira</b>					
	Opening Balance	0.94	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	-	-	-	-	-
	Closing Balance	0.94	-	-	-	-
	<b>Josly Eric Sequeira</b>					
	Opening Balance	6.28	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	0.07	-	-	-	-
	Closing Balance	6.21	-	-	-	-
	<b>Lawrence Sequeira</b>	-				
	Opening Balance	108.00	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	0.08	-	-	-	-
	Less : Loan Converted into Equity	9.00				
	Closing Balance	98.93	-	-	-	-
	<b>Catherine Dsouza</b>	-				
	Opening Balance	4.16	-	-	-	-

	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	0.72	-	-	-	-
	Less : Loan Converted into Equity	1.20				
	Closing Balance	2.24	-	-	-	-
	<b>Deshma Richard Sequeira</b>	-				
	Opening Balance	1.82	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	-	-	-	-	-
	Closing Balance	1.82	-	-	-	-
	<b>Joseph Sequeira</b>	-				
	Opening Balance	258.00	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	5.68	-	-	-	-
	Less : Loan Converted into Equity	103.80				
	Closing Balance	148.52	-	-	-	-
	<b>Vansh Manish Shah</b>	-				
	Opening Balance	0.60	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	-	-	-	-	-
	Closing Balance	0.60	-	-	-	-

#### Outstanding Balance as at the end of the year

	Name of Related Party	31.05.2021	29.04.2021	31.03.2021	31.03.2020	31.03.2019
1. Payables/ (Receivable)	Catherine Lawrentia D'Souza	2.24	-	-	-	-
	Joseph Sequeira	148.52	-	-	-	-
	Lawrence A Sequeira	98.93	-	-	-	-
	Flag Hotels Pvt. Ltd	(600.00)	(600.00)	(600.00)	-	-
	Flag Hotels Pvt. Ltd	30.09	30.02	29.21		
	Flag Marriage & Party Hall (Prop. Joseph Sequeira)	-	-	-	35.12	21.54
	Alwin Sequeira	0.94	-	-	0.83	
	Josly Eric Sequeira	6.21	-	-	0.75	
	Deshma Richard Sequeira	1.82				
	Vansh Manish Shah	0.60				
<b>Total</b>		<b>(310.65)</b>	<b>(569.98)</b>	<b>(570.79)</b>	<b>36.70</b>	<b>21.54</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II III.

For further details, please refer to chapter titled "Restated Financial Statements" beginning on Page 134 of Draft Prospectus.

- L.** There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Prospectus.
- M.** The weighted average price of acquisition of Equity Shares by our Promoters in last one year is:

Name of the Promoter	No. of Shares held	Weighted Average Cost of Acquisition per Share (In Rs.)
Mr. Joseph Sequeira	12,33,333	14.42
Mrs. Catherine Lawrentia D'Souza	1,25,000	11.76
Mr. Lawrence A Sequeira	1,30,000	12.92

For further details, refer chapter titled "Capital Structure" beginning on page no. 56 of this Draft Prospectus.

- N.** The average cost of acquisition of Equity Shares by our Promoters is:

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Joseph Sequeira	12,33,333	14.42
Mrs. Catherine Lawrentia D'Souza	1,25,000	11.76
Mr. Lawrence A Sequeira	1,30,000	12.92

\*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each.

- O.** Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus till the listing of the Equity Shares.
- P.** Except as disclosed in section titled "Capital Structure" in this Draft Prospectus, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus
- Q.** Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Prospectus.

### **SECTION III - RISK FACTORS**

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with "Business Overview" and "Management's Discussion & Analysis of Financial Condition & Results of Operations" on pages 86 and 164, respectively, as well as the other financial and statistical information contained in this Draft Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve 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. Before making an investment decision, investors must rely on their own examination of the Issue and us.*

*This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

*In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" on page 24 and "Management's Discussion & Analysis of Financial Condition & Results of Operations" on page 164 respectively of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of the Company" prepared in accordance with the Indian Accounting Standards.*

#### **Materiality**

The Risk factors have been determined and disclosed on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may have material impact quantitatively;
2. Some events may have material impact qualitatively instead of quantitatively;
3. Some events may not be material individually but may be found material collectively;
4. Some events may not be material at present but may be having material impact in future.

#### **INTERNAL RISK FACTORS**

1. ***The outbreak of the 2019 novel coronavirus ("COVID-19") pandemic, as well as GoI measures to reduce the spread of COVID-19, have had a substantial impact on our restaurant and banquets operations and the timing of how long the COVID-19 pandemic and the related GoI measures will last is still uncertain.***

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

and banquets operated by the Company is in Mumbai which is considered as one of most effected city by Covid-19. As a result of COVID-19, the Company has had to temporarily close its restaurant and banquets.

Our footfalls and sales have since started to recover from July 2021, although not to the levels prior to outbreak of COVID-19. The reduction in the level of business activity due to the COVID-19 crisis has also led to (i) write-offs of food inventory and related commitments since the Company's inventory includes food items which are perishable in nature; (ii) disruptions due to logistical constraints; and (iii) losses in the business. Similarly, the Company's corporate office also experienced closures and certain employees have been restricted from commuting to their places of work. Consequently, the financial impact of COVID-19 has had, and is expected to continue to have, an adverse effect on the Company's liquidity.

However, depending on how long the COVID-19 pandemic lasts, we may need to seek additional sources of liquidity, which may or may not be available. The COVID-19 pandemic is adversely affecting the availability of liquidity generally in the credit markets, and there can be no guarantee that additional liquidity from other sources will be available to us on favourable terms, or at all, especially the longer the COVID-19 pandemic lasts or if it were to worsen. While we have assessed the impact of the COVID-19 pandemic on our business and on recoverability of all current and non-current assets and recognised necessary adjustments in carrying value of the assets, given the uncertainties associated, we will continuously monitor and consider necessary impact on financial conditions, results of operation and cash flows.

For further details of our business and financial statement, please refer chapter titled "Business overview" and "Financial Information of our Company" beginning on Page 134 of this Draft Prospectus.

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

We offer a wide variety of dishes at our Restaurants as well as at indoor-outdoor catering. The markets where we operate may demand frequent change in the future including new dishes and dish variant introductions. We plan our menus and dishes based on guest consumption patterns as well as on anticipated trends and guest preferences in the forthcoming seasons. Any mismatch between our forecasts, our planning, introduction of new dishes and the actual demand by our guests could impact us adversely, leading to loss of existing customers or lower footfalls.

Before we can introduce a new dish, we must successfully execute a number of steps, including market research and guest feedback, while adapting our infrastructure networks to increase or change the nature of our raw material requirements. However, there can be no assurance that such efforts will always result in identifying successful new dishes and avoiding unsuccessful introductions. Although we rarely substantially modify our menus, an inability to successfully introduce new menu items could adversely affect our business, financial condition, results of operations and prospects.

Guest preferences in the markets we operate in are difficult to predict and changes in those preferences or the introduction of new dishes by our competitors could put our dishes at a competitive disadvantage. Our business is particularly sensitive to changing consumer preferences, including changes in consumer tastes and dining habits and consumer acceptance of our restaurant format. Health, dietary and other considerations may also result in changes to consumer preferences, which may in turn result in reduced demand for our products. The demand for our offering or our costs of doing business may also be adversely affected by public concern about nutrition, food safety and other factors. Our particular restaurant format may become less attractive in light of changing consumer preferences, and we may be unable to adapt to such changes in a timely manner or such changes that we adapt to our outlet concepts may be unsuccessful. Our continued success depends on our ability to anticipate, gauge and react in a timely and cost effective manner to changes in guest tastes for our offering, as well as to where and how guests consume these products. Any changes in consumer preferences that decrease demand for our offering our business, financial condition, results of operations and prospects would be adversely affected.

For further details of our business, please refer chapter titled "Business overview" beginning on Page 86 of this Draft Prospectus.

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

Our Company faces competition from the restaurant industry in general and the Casual Dining Restaurants (CDR) segment in particular, both organized and unorganized, and potential new entrants to the CDR segment, who may have more flexibility in responding to changing business and economic conditions. We face competition across our business activities from varied offerings.

In relation to the organized CDR category, we face competition from other organized CDR chains and from Quick Service Restaurants (QSR) chains. Some of our competitors may have greater financial resources or a more experienced management team than us. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, present more credible integrated or lower cost solutions than we do, which may have a negative effect on our sales. Further, our competitors may set up restaurants in the vicinity of our existing restaurants and may offer their products at more aggressive prices.

The CDR segment of the Indian restaurant industry is experiencing growing competition in the markets in which we compete. A growing, under-served market, such as India, is particularly attractive to new entrants, who may also offer new cuisines that appeal to consumer tastes. New entrants may include global casual dining businesses which benefit from global brand recognition and have significant experience in entering and operating in new markets and significant management, marketing and financial resources. We may also face competition from existing, experienced casual dining businesses willing to accept low margins on investment in order to enter new markets as well as from business conglomerates willing to cross subsidize a new casual dining business in order to enter new markets. In addition, the casual dining sector of the restaurant industry in India is fragmented. We cannot assure you that we will be able to continue to compete effectively with our competitors.

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

For further details of our business, please refer chapter titled “Business overview” beginning on Page 86 of this Draft Prospectus.

**4. *Our marketing and advertising campaigns may not be successful in increasing the popularity of our brands “Flag’s”. If our marketing initiatives are not effective, this may adversely affect our business.***

The Company’s restaurant and banquets which are running and proposed are on brand name of Flag’s such as Flag’s Veg World Cuisine, Flag’s Avant Garde, Flag’s III. The Flag’s trademark is owned by our Promoters Mr. Joseph Sequeira and we have received No Objection for use of the same but any issue arise in future for use brand Flag’s will impact the reputation, business and operations of our Company.

Further, our revenues are influenced by marketing and advertising of our restaurant and banquets through various event related website. we rely to a large extent on our senior management’s experience in defining our marketing and advertising programmes. If our senior management leads us to adopt unsuccessful marketing and advertising campaigns, we may fail to attract new guests and retain existing guests. If our marketing and advertising programmes are unsuccessful, our results of operations could be materially adversely affected.

The support of our employees, particularly our restaurant and banquets managers, is also critical for the success of our marketing programmes, such as local marketing and any new strategic initiatives we seek to undertake. While we can mandate certain strategic initiatives, we need the active support of our employees if the implementation of these initiatives is to be successful. The failure of our employees to support our marketing programmes and strategic initiatives could adversely affect our ability to implement our business strategy and harm our business, financial condition, results of operations and prospects.

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

**5. *If we are unable to maintain consistent same restaurant sales growth, our results of operations may be adversely affected.***

One of the key parameters for our success is consistent same restaurant sales growth. We employ a number of measures to achieve this and track this closely on a regular basis. However, we may be unable to maintain consistent same restaurant sales growth due to a number of reasons including:

- Relative failure of our newly introduced dishes;
- Failure to increase our sales volumes through our various food festivals;



- Poor inventory forecasting;
- Inability to reduce purchasing and logistics costs on account of economies of scale;
- Inability to reduce wastage; and
- Failure to optimize restaurant-level staffing.

Any one or a combination of the factors set out above or other factors currently unknown to us may stall the growth of our sales volumes which may adversely affect our results of operations.

**6. *There are outstanding legal proceedings involving our Promoters. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Promoters are involved in certain legal proceedings which are pending with regulatory authorities. A summary of the pending civil and other proceedings involving the Promoters is provided below:

**Cases against our Promoters: -**

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	1	Not Ascertainable
Other Litigation - Taxation	--	--
Other Litigation	--	--

For further details of legal proceedings involving the Company, please see “Outstanding Litigations and Material Developments” beginning on page 179 of this Draft Prospectus

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

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

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

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

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

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Further due to change in constitution from Partnership firm to Company, the registration on the name of the firm will be transferred on name of our Company. Additionally, we will need to

apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business. An inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations. Also we are yet to apply for transfer of registration of Shop & Establishment and FASSAI License for our Banquet situated at Kavi Ram Basakhetre Road, Near Marks and Spencer, Lokhandwala Complex, Andheri (West), Mumbai – 400053, Maharashtra, India which is on name of our Group Company. Further our Company is not having Fire safety license for any of our banquet and restaurant.

Furthermore, approvals, licenses, clearances, and consents covering the same subject matter are often required at State Government levels. If we fail to comply, or a regulator claims that we have not complied, with these conditions, we may not be able to commence or continue with work or operate these projects. For further information on various approvals or licenses required in connection with our operations, please see the section entitled “Government and other Approvals” on page 182 of this Draft Prospectus.

**9. *We have incurred loss in one of previous years and our prior period financial results may not accurately represent our future financial performance.***

Our Company was incorporated by conversion of erstwhile partnership firm under Part I chapter XXI of the Companies Act, 2013 dated April 30, 2021. Before formation of Company we have incurred loss in our erstwhile partnership firm such as the Restated Profit/(Loss) for the period ended on May 31, 2021 is Rs. 1.24 Lakhs and for April 29, 2021 is Rs. 0.04 Lakhs Further for the year ended on March 31, 2021, March 31, 2020 and March 31, 2019 is Rs. 10.52 Lakhs, Rs. 0.88 Lakhs and Rs. (1.66) Lakhs respectively.

We may not be able to increase revenue or maintain profitability on a half year or an annual basis. If this occurs, our results of operations and financial condition will be adversely affected. Our growth exposes us to a wide range of increased risks. It will also place significant demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls.

There can be no assurance that we will be able to successfully pursue our growth strategies, or that pursuing these strategies will provide us the anticipated benefits in terms of growth and profitability. Further, we may be unable to develop adequate systems, infrastructure and technologies, devote sufficient financial resources or develop and attract talent to manage our growth. Our inability to pursue our growth strategies successfully or at all, or an inability to manage our growth, may adversely affect our prospects.

For further details of our financial data, please refer to section titled “Financial Information of our Company” beginning on page 134 of this Draft Prospectus.

**10. *Our Promoters Mr. Joseph Sequeira and Mrs. Catherine Lawrentia D’Souza are disqualified for being director under section 164 of the Companies Act, 2013 due to non-filing of Annual returns of one of the company where they were directors.***

Our Promoters Mr. Joseph Sequeira and Mrs. Catherine Lawrentia D’Souza is disqualified under section 164 (2) of the Companies Act, 2013 for being director for non-filing of Annual returns of one of the company in which they were director. The disqualification was due to non-filing of Annual return for the period of three years. Any consequence arises on such disqualification in future will affect the business of our Company and the concentration of our promoters may shift from our Business.

**11. *If we are unable to acquire quality raw materials, ingredients or other necessary supplies and services in a timely manner or if we fail to pass on inflation in food costs to our guests, our business, results of operations and financial condition may be adversely affected.***

Our operations are dependent on adequate and timely deliveries of quality ingredients, including fresh produce. We depend on third-party distributors and suppliers for such deliveries, and therefore, are subject to the risk that shortages or interruptions in supply, caused by factors such as adverse weather conditions, unanticipated demand, changes in governmental regulation and recalls of food products, could adversely affect the availability, quality and cost of ingredients. If the quality of our suppliers’ ingredients declines, we may not be able to obtain replacements for such ingredients on commercially agreeable terms or at all in the open market. If our food quality declines due to the inferior quality of ingredients or due to interruptions in the flow of ingredients and similar factors, guest traffic may decline and negatively affect our results.

In addition, the food supply industry in India is fragmented and unorganized and we depend on a number of local suppliers for our raw materials. Our suppliers may discontinue operations or choose to work with our competitors, including if, among other things, they are offered better terms by our competitors. In the event of a major disruption to the timely supply of quality ingredients,

alternative suppliers of food and/or distribution services (as the case may be) may only be available at higher prices or at terms much less favorable to us.

Our profitability depends in part on our ability to anticipate and react to changes in the cost of our supplies. Increases in the cost of important products could significantly increase our restaurant expenses. Most ingredients used in our restaurants, including cooking oil and vegetables, are commodities and therefore subject to price fluctuations as a result of seasonality, weather, supply and demand in local and international markets, economic conditions and other factors which are beyond our control. Increases in the cost of important raw materials could significantly increase our restaurant expenses.

***12. We may be unable to attract and retain sufficient qualified and trained staff in our restaurant and banquet which may adversely affect our business.***

Providing quality services at our restaurant and banquet is one of the critical aspects for the success of our business operations. Our continued success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees for our restaurants, including restaurant managers, chefs, and kitchen and waiting staff. As we expand our restaurant network, we will need experienced manpower that has knowledge of the local market and our industry to operate our restaurants. Typically, the F&B industry suffers from high attrition rates especially at the restaurant level. We have faced increasing competition for management and skilled personnel with significant knowledge and experience in the F&B sector in India. There can be no assurance that attrition rates for our employees will not increase. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and guest relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting our business, results of operations and financial condition.

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

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

The supply of raw materials for our food products is based primarily on forecasts and requirements prepared by our restaurant managers in consultation with our chefs. These forecasts are based on past sales as well as anticipated demand, which is based to a certain extent on the subjective assessment of the restaurant managers.

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

***14. Our current & proposed restaurant and banquets locations may become unattractive.***

The success of our restaurant and banquets depends substantially on its location. Given the rate of urban construction in India, there can be no assurance that our current restaurant and banquets locations will continue to be attractive as neighborhoods or demographic patterns change. Neighborhood or economic conditions where restaurants are located could deteriorate in the future, thus resulting in potentially reduced sales in these locations. Any of these factors could adversely affect our business, financial condition, results of operations and prospects.

For further details of location of our restaurant and banquets, please refer chapter titled “Business overview” beginning on Page 86 of this Draft Prospectus.

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

Our restaurant and banquets have significant electricity requirements and any interruption in power supply to our restaurant and banquets may disrupt our operations. Our business and financial results may be adversely affected by any disruption of operations.

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

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

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all applicable statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. For instance, our Company may have not complied with some Accounting Standard for instance, Accounting Standards 15 and we have converted loan into equity in past. Also some of the roc forms was belatedly filed with Roc along with additional fees prescribe by the authority.

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

***17. Our limited recognition in the hospitality industry may limit our expansion strategy and cause our business and growth to suffer.***

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

Our expansion plans could be delayed or abandoned, could cost more than anticipated and could divert resources from other areas of our business or divert management's attention from other aspects of our business and place a strain on our management, operational and financial resources, as well as our information systems, any of which could impact our competitive position and reduce our revenue and profitability. For further details of our business, please refer to the chapter titled "Business Overview" beginning on page 86 of this Draft Prospectus.

***18. We do not own some of our key properties which are used by us currently.***

We operate from our corporate office and banquet i.e. Flag's Avant Garde banquets situated at Kavi Ram Basakhetre Road, Near Marks and Spencer, Lokhandwala Complex, Andheri (West), Mumbai – 400053, Maharashtra, India is rented premise for which we have executed lease agreement with our Group Company. In case of termination of lease, we will be required to locate new premises for our corporate office and banquet. Further the registered office and part of our restaurant is also rented. Also our Proposed restaurant and banquet situated at Shop No. 3A & 3B, Ground Floor at Milap Cinema, S.V. Road, Kandivali (West), Mumbai - 400067, Maharashtra, India and Shop No. 5, Second Floor Floor at Milap Cinema, S.V. Road, Kandivali (West), Mumbai - 400067, Maharashtra, India respectively are leased.

We may not be able to find the same in a timely manner. Further, even if we are able to locate a new premise, they may be on terms not favorable to us or not within the parameters of our requirements. Our inability to identify the new premises may adversely affect the operations and financial conditions of our Company.

For details regarding such tenancy / rented properties, please refer to "Business Overview" on page no. 86 of this Draft Prospectus.

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

As of May 31, 2021, our secured and unsecured borrowing were Rs. 249.94 Lakhs and we will continue to incur additional indebtedness in the future. Our level of indebtedness has important consequences to us, such as:

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

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts when they fall due. Also our Company has not received consent and NOC from Banker of our Company for the Proposed Initial Public Offer.

For further details of our Company's borrowings, see "Financial Information of our Company" on page 134 of this Draft Prospectus.

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

Our Company has been incorporated pursuant to the conversion of the Erstwhile Partnership firm under Part I Chapter XXI of the Companies Act, 2013 on April 30, 2021. Prior to conversion, the provisions of the Companies Act were not applicable to us. However, consequent to the aforesaid conversion, our Company is compliance with various provisions of the Companies Act except the Company has not yet fully repaid the amount outstanding as loan from Promoters and Promoter Group which have taken by erstwhile Partnership. Though our Company will endeavour to take all possible steps comply with the provisions of the Companies Act, but in case of our inability to do so or in case of any delay, we may be subject to penal action from the appropriate authorities which may have an adverse effect on our financial and operational performance and reputation.

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

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

**22. We have experienced negative cash flows in the past. Any such negative cash flows in the future could affect our business, results of operations and prospects.**

Our Company had reported certain negative cash flows from our operating, investing activities and financing activities in the previous financial years as per the Restated Financial Statements and the same are summarized as under:

Particulars	For Period ended on		For the year ended March 31,		
	May 31, 2021	April 29, 2021	2021	2020	2019
Cash flow from Operating Activities	5.07	(0.74)	39.30	191.45	78.03
Cash flow from Investing Activities	(2.76)	(5.00)	45.33	(30.24)	(112.18)
Cash flow from Financing Activities	(6.53)	5.55	(79.62)	(162.35)	33.03

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may affect our business and financial operations. For further please refer chapter titled “Restated Financial Statements” beginning on Page 134 of this Draft Prospectus.

***23. There has been instance of erroneous execution of agreement. If any party to such agreement is aggrieved, it may adversely affect our business, financial condition and results of operations.***

In the past, there has been instance of erroneous execution of agreements such as execution of Initial partnership deed dated October 18, 2004 with incorrect partner details which was later corrected by Reconstitution deed dated December 29, 2004. Till date of filing this Draft Prospectus, there have been no action taken by any party to such agreements. Also our lease agreement entered for our corporate office and banquet is not registered. However, it cannot be assured that even in future no such parties will be aggrieved by erroneous execution of previous agreements. Therefore, if the any of the parties to such agreements are aggrieved, we may lose benefits enjoyed through such agreements and face certain punitive actions against our Company or our Directors/Officers in relation to the same which may adversely affect our business, financial condition and results of operations.

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

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

***25. Relevant copies of educational qualifications of some of our Promoters and Directors are not traceable.***

Relevant copies of the educational qualifications of Mr. Joseph Sequeira, Promoter of our Company and Mr. Lawrence A Sequeira, Managing Director, Mr. Alwin Sequeira, Whole-time Director of our Company are not traceable. In accordance with the disclosure requirements brief biographies of the Promoter and Director are disclosed in the chapters entitles “Our Promoters and Promoter Group” and “Our Management” on page 127 & 114 of this Draft Prospectus. However, we have relied on undertakings provided by such Promoter, Directors and Key Managerial Personal.

***26. We utilize the services of certain consultants for our operations. Any deficiency or interruption in their services could adversely affect our business operations and reputation.***

We engage third party consultants from time-to-time for certain of our services and development of our services. Our ability to control the manner in which services are provided by third party consultants is limited and we may be liable legally or suffer reputational damage on account of any deficiency of services on part of such consultants. We cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from our third-party consultants. Any disruption or inefficiency in the services provided by our third party consultants could interrupt our business operations and damage our reputation. For further details of our business, please refer chapter titled “Business Overview” beginning on Page 86 of this Draft Prospectus.

***27. Our business is concentrated in one state only. Our growth strategy to expand into new geographic areas poses risks. We may not be able to successfully manage some or all of such risks, which may have a material adverse effect on our revenues, profits and financial condition.***

Our operations have been geographically concentrated in one state. Our business is therefore significantly dependent on the general economic condition and activity in the State in which we operate along with the Central, State and Local Government policies relating to hospitality industry. Although investment in the hospitality industry has been encouraged, there can be no assurance that this will continue. We may expand geographically, and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We may face additional risks if we undertake operations in other geographic areas in which we do not possess the same level of familiarity as

competitors. If we undertake operations in different geographical locations than those currently is; we may be affected by various factors, including but not limited to:

- Adjusting our services to the new geographic area;
- Obtaining necessary Government and other approvals in time or at all;
- Failure to realize expected synergies and cost savings;
- Attracting potential customers in a market in which we do not have significant experience; and
- Cost of hiring new employees and absorbing increased costs.

***28. The unsecured loan availed by our Company from Director and Promoter group may be recalled at any given point of time.***

Our Erstwhile partnership firm has been availing unsecured loans from Promoters and Promoter group which is still pending for repayment. The total outstanding payable to them as on May 31, 2021 amounts to Rs. 247.34 Lakhs. Although there are no terms and condition prescribed for repayment of unsecured loan from our directors, Promoters and promoter group which can be recalled at any given point of time during ordinary course of business and thus may affect the business operations and financial performance of our Company.

For further details regarding loans availed by our Company, please refer “Financial Information of our Company” on page no. 134 of this Draft Prospectus.

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

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

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

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

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

There can be no assurance that we would not have achieved more favorable commercial terms with other parties. Furthermore, we may enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition. For more information, see “Annexure X” – Restated Statement of Related Party Disclosures” of “Financial information of our Company” on page 159 of this Draft Prospectus.

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

Some of our Directors are interested in our Company to the extent of their shareholding and dividend entitlement in our Company in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the



interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby affecting our business and results of operations and prospects.

For further details of transaction with directors, please refer section titled “Financial Information of our Company” beginning on Page 134 of this Draft Prospectus

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

Our Company is mainly engaged in event and dining segment of hospitality industry which attracts tax liability such as Goods and Service Tax, Income Tax and other applicable provision. Also the provision under Food Safety and Standards Authority of India is also applicable to us. However, the Company has been complying the applicable regulations but any demand or penalty raised by the concerned authorities in future for any previous year and current year will affect the financial position of the Company. For detail, please refer “Outstanding Litigations and Material Development” beginning on page 179 of Draft Prospectus.

**33. *We have not independently verified certain data in this Draft Prospectus.***

We have not independently verified data from the Industry and related data contained in this Draft Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**34. *We are subject to the risk of failure of, or a material weakness in, our internal control systems.***

We are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. Given our volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. In addition, several of our collection related processes are yet to be fully automated, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material effect on our business, financial condition and results of operations.

**35. *We have not yet applied for the registration of our logo. If we fail to obtain registration our efforts may be hampered which might lead to adverse effect on our business.***



Our Company is currently using the logo which is not yet registered in the name of our Company neither we have made any application for the registration of the trademark with the respective authorities. If we are unable to get the same registered with the trademark authorities then, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks in future could have a material adverse effect on our business and goodwill, which in turn could adversely affect our results of operations. Also our Company is also using flag logo for our restaurants and banquets which is owned by our Promoter Mr. Joseph Sequeira and our Company has received the NOC for use of such logo.

**36. *Our registered office from where our operations are carried out is shared between our Company with our Group Company.***

Our Registered Office situated at 2, Asiad Apartment, Adarsh Society Road, Near SNDT College, Malad West Mumbai - 400064, Maharashtra, India, is shared with our group Company i.e. Flags Hotel Private Limited. Any dispute arises in future between our group companies, consequences to which we may have to change our registered office and place of operations from where we are presently operating. Also the change in registered office will affect our business operations.

**37. *There may be potential conflicts of interest if our Directors & Promoters are involved in any business activities that compete with or are in the same line of activity as our business operations.***

Our Group Company i.e. Flags Hotel Private Limited and our Promoter Group firm Flag's Marriage & Party Hall and Series Ekitchens LLP is involved in similar line of business of events and Dining. Further, we have not entered into any non-compete agreement with our said entities. We cannot assure you that our Directors & Promoters who has common interest in said entities will not favour the interest of the said entities. As a result; conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Entities in circumstances where our respective interests diverge. There can be no assurance that our Directors and Promoters or our Group Entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

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

We benefit from certain general tax regulations and incentives that accord favorable treatment to certain of our operations as well as for our activities. These tax benefits include income tax deductions and other taxes. For details regarding income tax deductions, please refer to the chapter "Statement of Possible Special Tax Benefits" on page 75 of this Draft Prospectus.

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

**39. *Our failure to adapt to technological developments or industry trends could affect the performance and features of our Events and Dining services, and reduce our attractiveness to our customers.***

As our operations grow in scope and size, whether through offering of new services or expansion into new markets, we must continuously improve, upgrade, adapt and expand our systems and infrastructure to offer our customers enhanced services, features and functionality ahead of rapidly evolving customer demands, while maintaining the reliability and integrity of our systems and infrastructure in a cost-efficient and competitive manner. The systems, infrastructure and technologies we currently employ may become obsolete or be unable to support our increased size and scale. Even if we are able to maintain, upgrade or replace our existing systems or innovate or customize and develop new technologies and systems, we may not be as quick or efficient as our competitors in upgrading or replacing our systems. We may be unable to devote adequate financial resources or obtain sufficient financing on commercially acceptable terms in time, or at all, which may have a material adverse effect on our business, prospects, results of operation and financial condition. For further details regarding our business, please refer to chapter titled "Business Overview" beginning on Page 86 of this Draft Prospectus.

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

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

For more information, please refer to "Objects of the Issue" on page 67 of the Draft Prospectus.

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

Our Company intends to primarily use the Net Proceeds towards working capital requirement and for general corporate purposes as described in "Objects of the Issue" on page 67 of this Draft Prospectus. In terms of Regulation 262 of the SEBI ICDR Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of Rs. 100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change.

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

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue, our business and financial results may suffer.

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

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

For further details of our Object, please refer chapter titled "Object for the Issue" beginning on Page 67 of this Draft Prospectus

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities may differ from those that would apply to a company in another jurisdiction. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other jurisdictions. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such pre-emptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interest in our Company would decline.

**44. *Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Issue, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Issue Price or at all.***

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is determined considering various financial factors of the Company and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Issue could fluctuate significantly as a result of market volatility or due to various internal or

external risks, including but not limited to those described in this Draft Prospectus. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

**45. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 133 of this Draft Prospectus.

**46. *The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares has been determined on the basis of the Fixed Price Issue. This price is based on numerous factors. For further information, see “Basis for Issue Price” beginning on page 72 of this Draft Prospectus. This issue price may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

**47. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

**48. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue Price.***

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

**49. *The requirements of being a listed company may strain our resources and distract management.***

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur additional legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI LODR Regulations which would require us to file audited annual and unaudited semi-annual and limited review reports with respect to our business and financial condition. If we delay making such

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

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

**50. *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**51. *We have in the last 12 months issued Equity Shares at a price that may be at lower than the Issue Price.***

In the last 12 months we may have issued fresh Equity Shares to the promoters of our Company which are as follows: -

- Issue of 7,00,000 Equity shares upon Incorporation of Company by conversion of erstwhile Partnership firm on April 30, 2021.
- Preferential Issue of 2,00,000 Equity Shares by conversion of loan into equity on May 28, 2021 at a premium of Rs. 60.00 per equity share.
- Bonus Issue of 6,00,000 Equity Shares in ratio 2:3 (two equity Shares for every three equity shares held) on September 29, 2021.

The Equity Shares allotted to investors pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time.

For Further details of equity shares issued, please refer to the chapter titled "Capital Structure" beginning on page 56 of the Draft Prospectus.

**52. *We will continue to be controlled by our Promoters and Promoter Group after the listing of the Equity Shares in the Issue.***

Upon successful completion of the Issue, our Promoters and Promoter Group will collectively control, directly or indirectly, approximately [●] of our outstanding Equity Shares (assuming full subscription to the Issue). As a result, our Promoters and Promoter Group will continue to have the ability to exercise significant control over our Company and all matters requiring shareholder approval, including election of directors, our business strategy and policies, and approval of significant corporate transactions such as mergers and business combinations. The extent of their shareholding in our Company may also have the effect of delaying, preventing or deterring a change in control of our Company, even if such a transaction may be beneficial to the other shareholders. The interests of our Promoters and Promoter Group as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in favor of our Company or the other shareholders.

For Further details of Capital Buildup, please refer to the chapter titled “Capital Structure” beginning on page 56 of the Draft Prospectus.

**53. *The interests of the Promoters as our controlling shareholder may conflict with the interests of other shareholders.***

Under our Articles of Association, the Promoter, by holding a majority of our Equity Share capital may issue directives with respect to the conduct of our business or our affairs, as defined under the Companies Act. The interests of the Promoters may be different from our interests or the interests of other shareholders. As a result, the Promoters may take actions with respect to our business and the businesses of our peers and competitors. In addition, as a result of our controlling ownership by the Promoters, we are required to adhere to certain restrictions with respect to the types of investments we may make using our cash balances, which may restrict us from entering into certain investments providing a higher rate of return. The Promoters will retain control over the decisions requiring adoption by our shareholders and could exercise its powers of control, delay or defer or initiate a change of control of our Company or a change in our capital structure.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months may be subject to capital gains tax in India if Securities Transaction Tax (STT) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares

**EXTERNAL RISK FACTORS**

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

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business, including those relating to the Internet and e-commerce, consumer protection and privacy. Such unfavorable changes could decrease demand for our products, increase costs and/or subject us to additional liabilities. Furthermore, the growth and development of e-commerce may result in more stringent consumer protection laws that may impose additional burdens on online businesses generally.

The application of various Indian and international sales, use, occupancy, value-added and other tax laws, rules and regulations to our services and products is subject to interpretation by the applicable taxing authorities. Many of the statutes and regulations that impose these taxes were established before the growth of the Internet, mobile networks and e-commerce. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests,

particularly with respect to occupancy or value-added or other taxes, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties and, even if we are able to pass on such costs to our customers, such action would decrease the demand for our services and products. As a result, any such changes could have an adverse effect on our business and results of operation. Further, the uncertainty in relation to change of laws, rules and regulations may lead to unpredictability and negatively impact our ability to manage our business prospects.

For example, in India, as of July 1, 2017, GST replaced taxes levied by central and state governments with a unified tax regime in respect of certain goods and services for the whole of India. However, given the recent introduction of the GST in India, there is no well-established practice regarding the implementation of, and compliance with, GST. Further, as GST is implemented, we cannot assure you that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. As the taxation system in India will see significant changes as a result of GST, its consequent effects cannot be determined at present and we cannot assure you that such effects will not have a material adverse effect on our business, future financial performance and the trading price of the Equity Shares.

The application of GST and other applicable laws, rules and regulations to our business now or in the future, may be subject to interpretation by relevant authorities, and, if amended or notified, could result in increased tax payments to us (prospectively or retrospectively), which could affect our business, prospects, financial condition and results of operations. Further, there is a risk that the Indian Income Tax Department may assess our tax liability to be materially different from the provision that we have carried in our books for the past periods.

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

***56. Recent global economic conditions have been unprecedented and challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall. Any persisted or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results.

There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In particular, as China is one of India's major trading partners, there are raising concerns regarding the United States limiting trade and/or imposing a tariff on imports from China and of a possible slowdown in the Chinese economy. Such factors might also result in a slowdown in India's export growth momentum and could materially and adversely affect our operating results and financial performance.

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

developments overseas in countries where we have operations could have a material adverse effect on our business and the trading price of the Equity Shares.

**57. *An outbreak of an infectious disease or any other serious public health concerns in India or elsewhere could adversely affect our business.***

The outbreak of an infectious disease in India or elsewhere or any other serious public health concern, such as Covid-19, which is currently having a negative impact on the global economy, financial markets and business activities worldwide, which also turn adversely affect our business. Although, we can give no assurance that a future outbreak of a similar infectious disease or any other serious public health concern will not have a material adverse effect on our business.

Despite precautionary measures for our business, there can be no guarantee that it will not be affected in the future in case of an outbreak of any such contagious disease. If a wide spread of disease has affected the Indian market, we may not be able to cater customers. An outbreak of a disease, whether directly impact our supply or not, may attract negative publicity resulting in declining demand. As a result of these and other factors, any outbreak of disease, or the possibility of an outbreak of disease could adversely affect our business, financial condition and results of operations.

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

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**59. *Our business and activities may be further regulated by the Competition Act and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition and results of operations.***

The Competition Act seeks to prevent business practices that have or are likely to have an appreciable adverse effect on competition in India and has established the Competition Commission of India (the “CCI”). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls the production, supply or distribution of goods and services, or shares the market or source of production or providing of services by way of allocation of geographical area or type of goods or services or number of customers in the relevant market or in any other similar way, is presumed to have an appreciable adverse effect on competition and shall be void. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished as an individual. If we, or any of our employees are penalized under the Competition Act, our business may be adversely affected. Further, the Competition Act also regulates combinations and requires approval of the CCI for effecting any acquisition of shares, voting rights, assets or control or mergers or amalgamations above the prescribed asset and turnover based thresholds.

On March 4, 2011, the Government of India notified and brought into force new provisions under the Competition Act in relation to combined entities (the “Combination Regulation Provisions”), which came into effect from June 1, 2011. The Combination Regulation Provisions require that any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, must be notified to and preapproved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (as amended). These regulations, as amended, set out the mechanism for the implementation of the Combination Regulation Provisions under the Competition Act.



**60. *A significant change in the Government of India's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.***

The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavourable government policies including those relating to the internet and e-commerce, consumer protection and data-privacy, could adversely affect business and economic conditions in India, and could also affect our ability to implement our strategy and our future financial performance. Since 1991, successive governments, including coalition governments, have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector. However, the members of the Government of India and the composition of the coalition in power are subject to change. As a result, it is difficult to predict the economic policies that will be pursued by the Government of India. The rate of economic liberalization could change and specific laws and policies affecting the financial services industry, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

**61. *Companies in India are required to prepare financial statements under the new Indian Accounting Standards. In addition, all income-tax assessee in India will be required to follow the Income Computation and Disclosure Standards.***

The Ministry of Corporate Affairs ("MCA"), Government of India, has through notification dated February 16, 2015 issued the Indian Accounting Standards Rules, 2015 ("Ind AS") which have come into effect from April 1, 2015 and are applicable to companies which fulfill certain conditions. Further, there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations.

Further, the Ministry of Finance, Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for computation of taxable income. The ICDS shall apply from the assessment year 2017-2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

**62. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our financial statements are prepared and presented in conformity with Indian GAAP. No attempt has been made to reconcile any of the information given in this document to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

**63. *Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.***

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

## SECTION IV – INTRODUCTION

### THE ISSUE

#### PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS:

<b>Equity Shares<sup>(1)</sup>:</b> Public Issue of Equity Shares by our Company <sup>(2)</sup>	Upto 6,50,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	[●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
<b>Net Issue to the Public<sup>(3)</sup></b>	[●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per share aggregating Rs. [●] lakhs
	<b>Of Which<sup>(3)</sup>:</b>
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lakhs
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lakhs
<b>Equity Shares outstanding prior to the Issue</b>	15,00,000 Equity Shares of Rs. 10/- each
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares of Rs. 10/- each
<b>Objects of the Issue</b>	Please refer chapter titled “Objects of the Issue” beginning on Page No. 67 of this Draft Prospectus

<sup>(1)</sup> This issue is being made in terms of Chapter IX of the SEBI ICDR Regulations as amended from time to time. For further details, please refer the section titled “Issue Related Information” beginning on Page No. [●] of this Draft Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated August 28, 2021 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on August 31, 2021.

<sup>(3)</sup> The allocation is the net issue to the public category shall be made as per the requirements of Regulation 253 (2) of SEBI ICDR Regulations, as amended from time to time:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to:
  - i. Individual applicants other than retail individual investors; and
  - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

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

For further details please refer to the chapter titled “Issue Structure” beginning on Page No. 205 of this Draft Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

### RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As At 31st May, 2021	As at April 29, 2021	As at 31st March		
					2021	2020	2019
<b>A.</b>	<b>Equity and Liabilities</b>						
<b>1</b>	<b>Shareholders' Funds</b>						
	Share Capital	<b>I.1</b>	90.00	462.69	457.13	201.09	306.90
	Reserves & Surplus	<b>I.2</b>	121.24	-	-	-	-
	Share application money pending allotment		-		-	-	-
<b>2</b>	<b>Non-Current Liabilities</b>						
	Long-Term Borrowings	<b>I.3</b>	247.34	0.92	-	303.16	326.36
	Other Non-Current Liabilities		-		-	-	-
	Deferred Tax Liabilities	<b>I.9</b>	-		-	-	-
<b>3</b>	<b>Current Liabilities</b>						
	Short Term Borrowings	<b>I.4</b>	2.60	2.83	3.69	16.24	25.63
	Trade Payables	<b>I.5</b>					
	- Micro and Small Enterprises		-	-	-	-	-
	-Other Than Micro and Small Enterprises		159.21	162.62	166.23	130.05	29.29
	Other Current Liabilities	<b>I.6</b>	76.72	73.88	70.56	94.02	29.05
	Short Term Provisions	<b>I.7</b>	8.14	7.67	7.55	3.04	3.18
	<b>Total</b>		<b>705.23</b>	<b>710.61</b>	<b>705.16</b>	<b>747.61</b>	<b>720.41</b>
<b>B.</b>	<b>Assets</b>						
<b>1</b>	<b>Non-Current Assets</b>						
	<b>Property, Plant &amp; Equipments</b>						
	Tangible Assets	<b>I.8</b>	75.73	76.22	76.68	81.74	90.19
	Intangible Assets		-	-	-	-	-
	Capital Work In Progress		-		-	-	-
	Non-Current Investments		-		-	-	-
	Deferred Tax Assets	<b>I.9</b>	4.46	4.42	4.37	3.89	3.00
	Long Term Loans & Advances	<b>I.10</b>	607.24	607.24	602.24	648.83	618.59
	Other Non-Current Assets	<b>I.11</b>	2.76	-	-	-	-
<b>2</b>	<b>Current Assets</b>						
	Investments		-		-	-	-
	Inventories	<b>I.12</b>	4.80	4.69	5.85	7.65	1.96
	Trade Receivables	<b>I.13</b>	3.22	4.09	1.73	1.89	1.49
	Cash and Cash Equivalents	<b>I.14</b>	2.00	6.22	6.41	1.39	2.53
	Short-Term Loans and Advances	<b>I.15</b>	3.38	3.24	3.24	-	-
	Other Current Assets	<b>I.16</b>	1.65	4.48	4.63	2.23	2.66
	<b>Total</b>		<b>705.23</b>	<b>710.61</b>	<b>705.16</b>	<b>747.61</b>	<b>720.41</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, II, III.

**RESTATED STATEMENT OF PROFIT AND LOSS**
**(Rs. in Lakhs)**

Sr. No	Particulars	Note No.	For the Period from 30th April 2021 to 31st May 2021	For the Period from 01 April 2021 to April 29 2021	For The Year Ended 31st March		
					2021	2020	2019
<b>A.</b>	<b>Revenue:</b>						
	Revenue from Operations	<b>II.1</b>	37.71	33.23	639.75	655.80	255.20
	Other income	<b>II.2</b>	-	-	-	0.05	-
	<b>Total revenue</b>		<b>37.71</b>	<b>33.23</b>	<b>639.75</b>	<b>655.85</b>	<b>255.20</b>
<b>B.</b>	<b>Expenses:</b>						
	Cost of Material Consumed	<b>II.3</b>	11.85	14.52	293.38	280.91	142.88
	Purchase of Stock in Trade		-	-	-	-	-
	Changes in Inventories of Finished Goods		-	-	-	-	-
	Employees Benefit Expenses	<b>II.4</b>	13.18	7.21	120.45	152.70	29.16
	Finance costs	<b>II.5</b>	0.07	0.03	9.87	25.80	36.31
	Depreciation and Amortization	<b>II.6</b>	0.50	0.46	6.31	8.45	11.79
	Other expenses	<b>II.7</b>	10.45	10.89	192.15	184.97	35.29
	<b>Total Expenses</b>		<b>36.04</b>	<b>33.11</b>	<b>622.16</b>	<b>652.83</b>	<b>255.42</b>
	<b>Profit/(Loss) before exceptional items and tax</b>		<b>1.66</b>	<b>0.12</b>	<b>17.59</b>	<b>3.03</b>	<b>-0.22</b>
	Exceptional Items		-	-	-	-	-
	<b>Profit before tax</b>		<b>1.66</b>	<b>0.12</b>	<b>17.59</b>	<b>3.03</b>	<b>-0.22</b>
	<b>Tax expense:</b>						
	Current tax		0.46	0.12	7.55	3.04	3.18
	Deferred Tax	<b>II.8</b>	(0.04)	(0.05)	(0.48)	(0.89)	(1.74)
	<b>Profit/(Loss) for the period/ year</b>		<b>1.24</b>	<b>0.04</b>	<b>10.52</b>	<b>0.88</b>	<b>-1.66</b>
	<b>Earning per equity share in Rs.:</b>						
	(1) Basic		0.17	0.01	1.50	0.13	(0.24)
	(2) Diluted		0.17	0.01	1.50	0.13	(0.24)

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities and cash flows appearing in Annexure IV, I, III.

# RESTATED STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

Particulars	For the Period from 30th April 2021 to 31st May 2021	For the Period from 01 April 2021 to April 29 2021	For The Year Ended 31st March		
			2021	2020	2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Profit/ (Loss) before tax	1.66	0.12	17.59	3.03	-0.22
Adjustments for:					
Depreciation	0.50	0.46	6.31	8.45	11.79
Prior Period Items	-	-	-	(0.68)	
Interest Expense	0.03	0.02	9.42	23.76	33.09
<b>Operating profit before working capital changes</b>	<b>2.19</b>	<b>0.59</b>	<b>33.31</b>	<b>34.56</b>	<b>44.66</b>
Movements in working capital :	2.88	(1.33)	9.03	160.07	33.37
(Increase)/ Decrease in Inventories	(0.11)	1.17	1.80	(5.70)	1.09
(Increase)/Decrease in Trade Receivables	0.88	(2.36)	0.15	(0.39)	(1.49)
(Increase)/Decrease in Other Current Assets/ Non-Current Assets	2.83	0.15	(2.40)	0.43	4.95
(Increase)/Decrease in Short Term Loans & Advances	(0.14)	-	(3.24)	-	-
Increase/(Decrease) in Trade Payables	(3.42)	(3.60)	36.17	100.76	23.05
Increase/(Decrease) in Other Current Liabilities	2.84	3.32	(23.45)	64.97	5.78
<b>Cash generated from operations</b>	<b>5.07</b>	<b>(0.74)</b>	<b>42.34</b>	<b>194.63</b>	<b>78.03</b>
Income tax paid during the year /period	-	-	3.04	3.18	0
<b>Net cash from operating activities (A)</b>	<b>5.07</b>	<b>(0.74)</b>	<b>39.30</b>	<b>191.45</b>	<b>78.03</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets	-	-	(1.26)	-	(31.26)
(Increase)/Decrease in Long Term Loans & Advances	(0.00)	(5.00)	46.59	(30.24)	(80.92)
(Increase)/Decrease in Other Non-Current Assets	(2.76)				
<b>Net cash from investing activities (B)</b>	<b>(2.76)</b>	<b>(5.00)</b>	<b>45.33</b>	<b>(30.24)</b>	<b>(112.18)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Interest paid on borrowings	(0.03)	(0.02)	(9.42)	(23.76)	(33.09)
Proceeds/(Repayment) of Borrowings	246.19	0.06	(315.71)	(32.58)	(909.97)
Proceeds/Repayment of Share Capital/Partners Capital	(252.69)	5.52	245.52	(106.01)	976.09
<b>Net cash from financing activities (C)</b>	<b>(6.53)</b>	<b>5.55</b>	<b>(79.62)</b>	<b>(162.35)</b>	<b>33.03</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(4.21)</b>	<b>(0.18)</b>	<b>5.02</b>	<b>(1.14)</b>	<b>(1.12)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6.22</b>	<b>6.41</b>	<b>1.39</b>	<b>2.53</b>	<b>3.65</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2.00</b>	<b>6.22</b>	<b>6.41</b>	<b>1.39</b>	<b>2.53</b>
<b>Cash and cash equivalents Comprises of:</b>					
<b>Cash in Hand</b>	1.56	4.30	3.48	0.15	0.74
<b>Cash at Bank</b>	0.44	1.92	2.93	1.24	1.79

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities & profits and losses appearing in Annexure IV, I, II.

## **SECTION V - GENERAL INFORMATION**

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 ("Partnership Act") in the name and style of "M/s. S.B.S Food Court", pursuant to a deed of partnership dated October 18, 2004. Subsequently, the constitution of partnership firm was changed on December 29, 2004 and January 20, 2021 by admission of partners. "M/s. S.B.S Food Court" was thereafter converted from a partnership firm to a public limited company under Part I chapter XXI of the Companies Act, 2013 in the name of "SBS Food Courts Limited" and received a certificate of incorporation dated April 30, 2021 from the Registrar of Companies, Central Registration Centre. The Corporate Identification Number of our Company is U55101MH2021PLC359764

For further details, please refer to chapter titled "History and Corporate Structure" beginning on page 110 of this Draft Prospectus.

### **Registered Office of our Company**

#### **SBS FOOD COURTS LIMITED**

2, Asiad Apartment, Adarsh Society Road,  
Near SNDT College, Malad West  
Mumbai - 400064, Maharashtra, India.

**Tel. No.:** 022-28821111

**E-mail:** [info@sbsfcl.com](mailto:info@sbsfcl.com)

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

**CIN:** U55101MH2021PLC359764

**Reg. No.:** 359764/2021-22

For details relating to changes to the address of our Registered Office, please see "History and Corporate Structure" on page 110 of this Draft Prospectus.

### **Corporate Office of our Company**

#### **SBS FOOD COURTS LIMITED**

Kavi Ram Basakhetre Road, Near Marks and Spencer,  
Lokhandwala Complex, Andheri (West),  
Mumbai – 400053, Maharashtra, India

**Tel. No.:** 022-26372300

**E-mail:** [info@sbsfcl.com](mailto:info@sbsfcl.com)

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

### **Address of Registrar of Companies**

#### **REGISTRAR OF COMPANIES, MUMBAI**

Ministry of Corporate affairs,  
5<sup>th</sup> Floor, 100, Everest Building,  
Netaji Subhash Road, Marine Drive,  
Mumbai- 400002, Maharashtra, India

**Tel No.** +91- 022-22812627

**Fax No.:** +91- 022-22811977

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

**Website:** <http://www.mca.gov.in>

### **Designated Stock Exchange**

#### **National Stock Exchange of India Limited**

Exchange Plaza, Plot no. C/1, G Block,  
Bandra – Kurla Complex, Bandra (E)  
Mumbai - 400051, Maharashtra, India

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

## Board of Directors of our Company

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Lawrence A Sequeira	Chairman and Managing Director	A-301, Our Home Building, 2nd Domnic Colony, Near Axis Model Bank, Orlem, Malad West, Mumbai - 400064, Maharashtra, India.	02842914
Mr. Josly Eric Sequeira	Whole-Time Director	A-301, Our Home Building, 2nd Domnic lane, Orlem, Malad West, Mumbai, Maharashtra- 400064, India.	08588131
Mr. Alwin Sequeira	Whole-Time Director	Room No-202, Asiad Apartment, B J Patel Road, Near Liberty Garden, Malad West Mumbai, Maharashtra- 400064, India.	09162481
Mr. Jigar Dineshbhai Patel	Non-Executive Independent Director	B/106, Sai Samrat, Navghar Fatak Road, Near Navghar Police Chowki, Bhayandar, East, Thane - 401105, Maharashtra, India	09296896
Mr. Ravikumar Yadav	Non-Executive Independent Director	Room No.505, Oshiwara Adarsh Nagar, Gulmohar CH, Oshiwara Link Road, Jogeshwari West, Andheri - 400102, Maharashtra, India.	09287704
Mrs. Bindu Dilliprasad Acharya	Non-Executive Independent Director	B-701, Aspen Adhiraj Garden, Khargarh Sector 5, Near Utsav Chowk, Raigarh, Maharashtra-410210, India.	07953338

For further details of the Directors of our Company, please refer to the chapter titled “Our Management” on page 114 of this Draft Prospectus.

## Company Secretary and Compliance Officer

**Mr. Prashant Agarwal**  
**SBS FOOD COURTS LIMITED**  
 Kavi Ram Basakhetre Road, Near Marks and Spencer,  
 Lokhandwala Complex, Andheri (West),  
 Mumbai – 400053, Maharashtra, India  
**Tel. No.:** 022-26372300  
**E-mail:** [cs@sbsfcl.com](mailto:cs@sbsfcl.com)

## Chief Financial Officer

**Mr. Milind Sunil Yennemadi**  
**SBS FOOD COURTS LIMITED**  
 Kavi Ram Basakhetre Road, Near Marks and Spencer,  
 Lokhandwala Complex, Andheri (West),  
 Mumbai – 400053, Maharashtra, India  
**Tel. No.:** 022-26372300  
**E-mail:** [accounts@sbsfcl.com](mailto:accounts@sbsfcl.com)

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-Issue or post-Issue related problems such as non-receipt of Intimation for Allotment, credit of allotted Equity Shares in the respective beneficiary account.

All grievances relating to the ASBA process including UPI may be addressed to the Registrar to the Issue, with a copy to the Designated Intermediary with whom the ASBA Form was submitted, giving full name of the sole or First Applicant, ASBA Form number, Applicant’s DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of Application Form, address of Applicant, the name and address of the relevant Designated Intermediary, where the Application Form was submitted by the

Applicant, ASBA Account number (for Applicants other than RIIs bidding through the UPI mechanism) in which the amount equivalent to the Application Amount was blocked or UPI ID in case of RIIs bidding through the UPI mechanism. Further, the Applicant shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries, and for Redressal of complaints, applicant may also write to the Lead Manager and Company. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Lead Manager, who shall respond to the same

#### **Details of Key Intermediaries pertaining to this Issue and Our Company:**

##### **LEAD MANAGER OF THE ISSUE**

###### **SHRENI SHARES PRIVATE LIMITED**

Office No. A-102, 1st Floor, Sea Lord CHSL,  
Above Axis Bank, Ram Nagar, Borivali (West),  
Mumbai- 400092, Maharashtra, India  
**Tel No.:** +91 - 22 - 28088456  
**Email Id:** [shrenishares@gmail.com](mailto:shrenishares@gmail.com)  
**Investors Grievance Id:** [info@shreni.in](mailto:info@shreni.in)  
**Website:** [www.shreni.in](http://www.shreni.in)  
**Contact Person:** Ms. Kritika Rupda  
**SEBI Registration Number:** INM000012759  
**CIN:** U67190MH2009PTC195845

##### **LEGAL ADVISOR TO THE ISSUE**

###### **ASHA AGARWAL & ASSOCIATES**

30/24/08, Varun Path, Mansorvar  
Jaipur-302020, Rajasthan, India  
**Tel No.:** +91- 9950933137  
**Email:** [asha.agarwal6@gmail.com](mailto:asha.agarwal6@gmail.com)  
**Contact Person:** Ms. Nisha Agarwal

##### **REGISTRAR TO THE ISSUE**

###### **BIGSHARE SERVICES PRIVATE LIMITED**

1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri (East) Mumbai – 400059, Maharashtra, India.  
**Telephone:** +91-22-6263 8200  
**Facsimile:** +91-22-6263 8280  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor grievance email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Mr. Swapnil Kate  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**SEBI Registration Number:** INR000001385

##### **BANKERS TO THE COMPANY**

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## JOINT STATUTORY AUDITORS & PEER REVIEW AUDITOR OF THE COMPANY

<b>M/S. A Y &amp; CO.,</b> Chartered Accountants 404, Fourth Floor, ARG Corporate Park Ajmer Road, Gopal Bari, Jaipur – 302006, Rajasthan, India <b>Tel No.:</b> +91 0141-4037257; +91-9649687300 <b>Email:</b> <a href="mailto:info@aycompany.co.in">info@aycompany.co.in</a> <b>Contact Person:</b> Mr. Arpit Gupta <b>Membership No.:</b> 421544 <b>Firm Registration No.:</b> 020829C <b>Peer Review Registration No. –</b> 013225	<b>M/S. R. Pasad &amp; Co.,</b> Chartered Accountants 201, Trinetra CHSL, Jeevan Vikas Kendra Marg, Koldongri, Vileparle (East), Mumbai-400057, Maharashtra, India. <b>Tel No.:</b> +91-93216 54999 <b>Email:</b> <a href="mailto:Rpasad.ca@gmail.com">Rpasad.ca@gmail.com</a> <b>Contact Person:</b> Mr. Rajesh L. Pasad <b>Membership No.:</b> 124828 <b>Firm Registration No.:</b> 129683W
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M/s A Y & Co., Chartered Accountants hold a peer review certificate dated July 15, 2021 issued by the Institute of Chartered Accountants of India.

## BANKERS TO THE ISSUE AND REFUND BANKER/SPONSOR BANK

[•]

## STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Shreni Shares Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not required.

## SELF CERTIFIED SYNDICATE BANKS (“SCSBs”) AND SYNDICATE SCSB BRANCHES

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on [www.sebi.gov.in/pmd/scsb.pdf](http://www.sebi.gov.in/pmd/scsb.pdf) For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time

## INVESTORS BANKS OR ISSUER BANKS FOR UPI

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIIs using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>), or any such other website as may be prescribed by SEBI from time to time.

## REGISTERED BROKERS

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

## REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time and on SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time and SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18>; <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4>

## **BROKERS TO THE ISSUE**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **DEBENTURE TRUSTEES**

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

## **TRUSTEES**

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

## **MONITORING AGENCY**

As per Regulation 262(1) of the SEBI ICDR Regulations as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lakhs.

Pursuant to Regulation 32(3) of the SEBI LODR Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Prospectus.

## **APPRAISING ENTITY**

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

## **FILING OF OFFER DOCUMENT**

Pursuant to Regulation 246(5) of the SEBI ICDR Regulations, the copy of the Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of regulation 246(2) of the SEBI ICDR Regulations. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018; a copy of the Prospectus will be filed online through SEBI Intermediary portal at [www.siportal.sebi.gov.in](http://www.siportal.sebi.gov.in).



*\*Includes [●] Equity shares of Rs.10.00 each for cash of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.*

As per Regulation 260(2) of SEBI ICDR Regulations, the Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective obligations in full.

## CHANGES IN AUDITORS DURING LAST THREE YEARS

Our Company has appointed M/s A Y & Company and M/s R. Pasad & Company, Chartered Accountants as its first joint statutory auditors on May 28, 2021.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

<b>Name</b>	[●]
<b>Correspondence Address:</b>	[●]
<b>Tel No.:</b>	[●]
<b>E-mail:</b>	[●]
<b>Website:</b>	[●]
<b>Contact Person:</b>	[●]
<b>SEBI Registration No.:</b>	[●]

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of EMERGE Platform of NSE and SEBI from time to time
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the NSE from time to time).
5. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.

6. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE from time to time.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
9. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
10. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
11. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
13. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of the SEBI ICDR Regulations as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

**14. Risk containment measures and monitoring for Market Makers:**

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

15. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

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

16. **Punitive Action in case of default by Market Makers:** NSE EMERGE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange

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

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

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

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

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

## **SECTION VI – CAPITAL STRUCTURE**

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

Amount (Rs. in Lakhs, except share data)			
<b>Sr. No.</b>	<b>Particulars</b>	<b>Aggregate nominal Value</b>	<b>Aggregate Value at Issue Price</b>
<b>A</b>	<b>Authorized Share Capital</b> 25,00,000 Equity Shares having Face Value of Rs 10/- each	250.00	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital before the Issue</b> 15,00,000 Equity Shares having Face Value of Rs.10/- each fully paid up before the Issue.	150.00	-
<b>C</b>	<b>Present Issue in terms of the Draft Prospectus<sup>(1)</sup></b> Issue of upto 6,50,000 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share	[●]	[●]
	<b>Which Comprises</b>		
<b>I.</b>	<b>Reservation for Market Maker portion</b> [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
<b>II.</b>	<b>Net Issue to the Public</b> Net Issue to Public of [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share to the Public	[●]	[●]
	<b>of which<sup>(2)</sup></b>	[●]	[●]
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs	[●]	[●]
	[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs	[●]	[●]
<b>D</b>	<b>Issued, Subscribed and Paid up Equity Share capital after the Issue</b> [●] Equity Shares of Rs. 10/- each	[●]	-
<b>E</b>	<b>Securities Premium Account</b> Before the Issue After the Issue	Rs. 60.00 Lakhs [●]*	

<sup>(1)</sup> The Present Issue of upto 6,50,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated August 28, 2021 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of the members held on August 31, 2021

<sup>(2)</sup> The allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

\*The amount disclosed is prior to deduction of Issue expenses.

### **Class of Shares**

As on the date of Draft Prospectus Our Company has only one class of share capital i.e. Equity Shares of Rs.10/- each. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

### **Notes to Capital Structure**

#### **1. Details of changes in Authorized Share Capital of our Company:**

- a) The authorized share capital of our Company on incorporation was Rs. 1,50,00,000 divided into 15,00,000 Equity Shares of Rs. 10/- each.

- b) The Authorized Capital was further increase from Rs. 1,50,00,000 divided into 15,00,000 Equity Shares of Rs. 10/- each to Rs. 2,50,00,000 divided into 25,00,000 Equity Shares of Rs. 10/- vide shareholder resolution dated September 29, 2021.

## 2. Equity Share Capital History of our Company:

- (a) The history of the equity share capital and the securities premium account of our company are set out in the following table:-

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
On Incorporation	7,00,000	10	10	Other than Cash – against the outstanding Credit Balance of respective Individual Partner's Fixed Capital Account	Subscription to MOA <sup>(i)</sup>	7,00,000	70,00,000	Nil
May 28, 2021	2,00,000	10	70	Other than Cash – Conversion of Loan into Equity	Preferential Issue <sup>(ii)</sup>	9,00,000	90,00,000	1,20,00,000
September 29, 2021	6,00,000	10	--	Other than Cash	Bonus Issue <sup>(iii)</sup>	15,00,000	1,50,00,000	60,00,000

### Notes:

- (i) Initial Subscribers to the Memorandum of Association subscribed 7,00,000 Equity Shares of Face Value of Rs. 10/- each pursuant to conversion of erstwhile partnership firm to company, details of which are given below:

S. No.	Name of shareholders	Number of Shares Allotted
1.	Mr. Joseph Sequeira	5,67,000
2.	Mrs. Catherine Lawrentia D'Souza	63,000
3.	Mr. Lawrence A Sequeira	63,000
4.	Mr. Josly Eric Sequeira	1,750
5.	Mr. Alwin Sequeira	1,750
6.	Mr. Vansh Manish Shah	1,750
7.	Ms. Deshma Richard Sequeira	1,750
	<b>Total</b>	<b>7,00,000</b>

- (ii) Preferential Issue of 2,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid at Issue Price of Rs. 70/- by conversion of loan into equity. The details of which are given below:

S. No.	Name of shareholders	Number of Shares Allotted
1.	Mr. Joseph Sequeira	1,73,000
2.	Mrs. Catherine Lawrentia D'Souza	12,000
3.	Mr. Lawrence A Sequeira	15,000
	<b>Total</b>	<b>2,00,000</b>

- (iii) Bonus Issue of 6,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid in the ratio of 2:3 i.e., 2 Bonus Equity Shares for 3 equity share held:

S. No.	Name of shareholders	Number of Shares Allotted
1.	Mr. Joseph Sequeira	4,93,333
2.	Mrs. Catherine Lawrentia D'Souza	50,000
3.	Mr. Lawrence A Sequeira	52,000



4.	Mr. Josly Eric Sequeira	1,167
5.	Mr. Alwin Sequeira	1,167
6.	Mr. Vansh Manish Shah	1,167
7.	Ms. Deshma Richard Sequeira	1,167
	<b>Total</b>	<b>6,00,000</b>

b) As on the date of the Draft Prospectus, our Company does not have any preference share capital.

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

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
On Incorporation	7,00,000	10	10	Pursuant to conversion of erstwhile partnership firm into our Company under Chapter XXI of the Companies Act, 2013	Conversion from Partnership to Company	Mr. Joseph Sequeira Mrs. Catherine Lawrentia D'Souza Mr. Lawrence A Sequeira Mr. Josly Eric Sequeira Mr. Alwin Sequeira Mr. Vansh Manish Shah Ms. Deshma Richard Sequeira	5,67,000 63,000 63,000 1,750 1,750 1,750 1,750
May 28, 2021	2,00,000	10	70	Preferential Issue	Conversion of Loan into Equity	Mr. Joseph Sequeira Mrs. Catherine Lawrentia D'Souza Mr. Lawrence A Sequeira	1,73,000 12,000 15,000
September 29, 2021	6,00,000	10	--	Bonus Issue	Capitalization of Securities Premium	Mr. Joseph Sequeira Mrs. Catherine Lawrentia D'Souza Mr. Lawrence A Sequeira Mr. Josly Eric Sequeira Mr. Alwin Sequeira Mr. Vansh Manish Shah Ms. Deshma Richard Sequeira	4,93,333 50,000 52,000 1,167 1,167 1,167 1,167

**4. Details of Allotment made in the last two years preceding the date of the Draft Prospectus:** Except as disclosed in point 1 (a) (i), (ii) and (iii) above, we have not issued any Equity Shares in the last two years preceding the date of the Draft Prospectus

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and relevant section of 230-234 of Companies Act 2013.

5. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

6. Except as disclosed below, we have not issued any Equity Shares at price below issue price within last one year from the date of this Draft Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Whether part of Promoter Group	Allottees	No. of Shares Allotted
On Incorporation	7,00,000	10	10	Pursuant to conversion of erstwhile partnership	Yes	Mr. Joseph Sequeira Mrs. Catherine Lawrentia D'Souza	5,67,000 63,000

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Whether part of Promoter Group	Allottees	No. of Shares Allotted
				firm into our Company under Chapter XXI of the Companies Act, 2013		Mr. Lawrence A Sequeira	63,000
						Mr. Josly Eric Sequeira	1,750
						Mr. Alwin Sequeira	1,750
						Mr. Vansh Manish Shah	1,750
						Ms. Deshma Richard Sequeira	1,750
September 29, 2021	6,00,000	10	--	Bonus Issue	Yes	Mr. Joseph Sequeira	4,93,333
						Mrs. Catherine Lawrentia D'Souza	50,000
						Mr. Lawrence A Sequeira	52,000
						Mr. Josly Eric Sequeira	1,167
						Mr. Alwin Sequeira	1,167
						Mr. Vansh Manish Shah	1,167
						Ms. Deshma Richard Sequeira	1,167

7. As on the date of the Draft Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.

8. **Capital Build up in respect of shareholding of our Promoters:** As on date of the Draft Prospectus, our promoters Mr. Joseph Sequeira, Ms. Catherine Lawrentia D'Souza and Mr. Lawrence A Sequeira, holds together 14,88,333 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Date of Allotment and made fully paid up /transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue /Acquisition / Transfer Price per Equity Share (₹)*	Pre-Issue Shareholding %	Post-Issue Shareholding %	Lock in Period	Source of Funds
<b>Mr. Joseph Sequeira</b>								
On Incorporation	Subscription to MOA	5,67,000	10	10.00	37.80	[•]	[•]	Own fund
May 28, 2021	Preferential Issue	1,73,000	10	70.00	11.53	[•]	[•]	Own fund
September 29, 2021	Bonus Issue	4,93,333	10	--	32.89	[•]	[•]	--
<b>Total (A)</b>		<b>12,33,333</b>			<b>82.22</b>	[•]	[•]	
<b>Ms. Catherine Lawrentia D'Souza</b>								
On Incorporation	Subscription to MOA	63,000	10	10.00	4.20	[•]	[•]	Own fund
May 28, 2021	Preferential Issue	12,000	10	70.00	0.80	[•]	[•]	Own fund
September 29, 2021	Bonus Issue	50,000	10	--	3.33	[•]	[•]	--
<b>Total (B)</b>		<b>1,25,000</b>			<b>8.33</b>	[•]	[•]	
<b>Mr. Lawrence A Sequeira</b>								
On Incorporation	Subscription to MOA	63,000	10	10.00	4.20	[•]	[•]	Own fund
May 28, 2021	Preferential Issue	15,000	10	70.00	1.00	[•]	[•]	Own fund
September 29, 2021	Bonus Issue	52,000	10	--	3.47	[•]	[•]	--
<b>Total (C)</b>		<b>1,30,000</b>			<b>8.67</b>	[•]	[•]	
<b>Total (A+B+C)</b>		<b>14,88,333</b>			<b>99.22</b>	[•]		

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

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Joseph Sequeira	12,33,333	14.42
Mrs. Catherine Lawrentia D'Souza	1,25,000	11.76
Mr. Lawrence A Sequeira	1,30,000	12.92

\*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each.

**10. Except as provided below there are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of the Draft Prospectus.**

Date of Transaction	Number of Equity Shares Allotted/Acquired/Sold	Face Value (Rs.)	Issue Price/Acquired Price (Rs.)*	Nature	Nature of Consideration	Name of the Allottees/Transferor/transferee	Category
On Incorporation	5,67,000	10	10	Subscription to MOA	Cash	Mr. Joseph Sequeira	Promoter
	63,000					Mrs. Catherine Lawrentia D'Souza	Promoter
	63,000					Mr. Lawrence A Sequeira	Promoter and Managing Director
	1,750					Mr. Josly Eric Sequeira	Whole-time Director
	1,750					Mr. Alwin Sequeira	Whole-time Director
	1,750					Mr. Vansh Manish Shah	Promoter Group
	1,750					Ms. Deshma Richard Sequeira	Promoter Group
May 28, 2021	1,73,000	10	70	Preferential Issue	Cash	Mr. Joseph Sequeira	Promoter
	12,000					Mrs. Catherine Lawrentia D'Souza	Promoter
	15,000					Mr. Lawrence A Sequeira	Promoter and Managing Director
September 29, 2021	4,93,333	10	--	Bonus Issue	Other than Cash	Mr. Joseph Sequeira	Promoter
	50,000					Mrs. Catherine Lawrentia D'Souza	Promoter
	52,000					Mr. Lawrence A Sequeira	Promoter and Managing Director
	1,167					Mr. Josly Eric Sequeira	Whole-time Director
	1,167					Mr. Alwin Sequeira	Whole-time Director
	1,167					Mr. Vansh Manish Shah	Promoter Group
	1,167					Ms. Deshma Richard Sequeira	Promoter Group

\*The maximum and minimum price at which the aforesaid transaction was made is 70 and Nil Equity Share.

**11. Details of the Pre and Post Issue Shareholding of our Promoters and Promoter Group as on the date of the Draft Prospectus is as below: -**

S. No	Names	Pre Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1.	Mr. Joseph Sequeira	12,33,333	82.22	1,23,333	[●]
2.	Ms. Catherine Lawrentia Dsouza	1,25,000	8.33	1,25,000	[●]
3.	Mr. Lawrence A Sequeira	1,30,000	8.67	1,30,000	[●]

	<b>TOTAL (A)</b>	<b>14,88,333</b>	<b>99.22</b>	<b>14,88,333</b>	<b>[●]</b>
	<b>Promoter Group</b>				
1.	Mr. Josly Eric Sequeira	2,917	0.19	2,917	[●]
2.	Mr. Alwin Sequeira	2,917	0.19	2,917	[●]
	Mr. Vansh Manish Shah	2,917	0.19	2,917	[●]
	Ms. Deshma Richard Sequeira	2,917	0.19	2,917	[●]
	<b>TOTAL (B)</b>	<b>11,667</b>	<b>0.78</b>	<b>11,667</b>	<b>[●]</b>
	<b>GRAND TOTAL (A+B)</b>	<b>15,00,000</b>	<b>100.00</b>	<b>15,00,000</b>	<b>[●]</b>

## 12. Details of Promoter's Contribution locked in for three years:

Date of Allotment / transfer of fully paid up Shares	Date when made Fully paid up	Nature of Allotment/ Acquired/Transfer	No. of shares Allotted/ Acquired Transferred	Face Value (Rs.)	Issue Price/ Transfer Price (Rs.)	% of Pre Issue Shareholding	% of Post Issue Shareholding	Lock in Period
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Total</b>			[●]			[●]	[●]	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 236 of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-Issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoters, Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D'Souza and Mr. Lawrence A Sequeira has, by a written undertaking, consented to have [●] Equity Shares held by them to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed/sold/transferred by the promoters during the period starting from the date of filing this Draft Prospectus with NSE EMERGE till the date of commencement of lock-in period as stated in this Draft Prospectus. The Equity Shares under the Promoters contribution will constitute [●] of our post-Issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 236 of the SEBI ICDR Regulations will not be less than 20% of the post Issue paid up capital of our Company.

## Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237 of SEBI ICDR Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237 (1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b>Hence Eligible</b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	
237 (1) (b)	Specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer.	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
237 (1) (c)	Specified securities allotted to the promoters and alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>

#### Details of Share Capital Locked In For One Year

In terms of Regulation 236 and 237 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire pre-issue equity share capital held by promoters and entire pre-issue capital held by persons other than promoters of our Company i.e. Promoter Group members constituting [●] Equity Shares shall be locked in for a period of 1 (one) year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### Other requirements in respect of lock-in:

- In terms of Regulation 242 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoters contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

### 13. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI LODR Regulations as on the date of the Draft Prospectus:

#### I – Summary of Shareholding Pattern:-

Category	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	Class Equity	No of Voting Rights	Total as a % of (A+B+ C)	X	XI=VII+X	XII	XIII	XIV		
(A)	Promoter & Promoter Group	7	15,00,000	-	-	15,00,000	100.00	15,00,000	15,00,000	100.00	-	100.00	[●]	[●]	-	[●]	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
I	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	15,00,000	-	-	15,00,000	100.00	15,00,000	15,00,000	100.00	-	100.00	[●]	[●]	-	[●]	

\*As on date of this Draft Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.

**14. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Prospectus are:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Joseph Sequeira	12,33,333	82.22
2.	Ms. Catherine Lawrentia D'Souza	1,25,000	8.33
3.	Mr. Lawrence A Sequeira	1,30,000	8.67
	<b>Total</b>	<b>14,88,333</b>	<b>99.22</b>

**15.** The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two year prior as on the date of this Draft Prospectus is not applicable as the status of our company was "Partnership firm" two years prior to the date of filing of this Draft Prospectus. Our Company has been converted from Partnership firm namely M/s S.B.S Food Court to Company in the name and style "SBS Food Courts Limited" with effect from April 30, 2021.

**16.** The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior as on the date of this Draft Prospectus is not applicable as the status of our company was "Partnership firm" one years prior to the date of filing of this Draft Prospectus. Our Company has been converted from Partnership firm namely M/s S.B.S Food Court to Company in the name and style "SBS Food Courts Limited" with effect from April 30, 2021.

**17. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior as on the date of this Draft Prospectus are:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Joseph Sequeira	12,33,333	82.22
2.	Ms. Catherine Lawrentia D'Souza	1,25,000	8.33
3.	Mr. Lawrence A Sequeira	1,30,000	8.67
	<b>Total</b>	<b>14,88,333</b>	<b>99.22</b>

**18.** Except as disclosed below, no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Draft Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- issue share capital of our Company.

S. No.	Name of Shareholders	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Mr. Joseph Sequeira	April 30, 2021	Promoter	5,67,000	--	Subscribed
2.	Ms. Catherine Lawrentia D'Souza	April 30, 2021	Promoter	63,000	--	Subscribed
3.	Mr. Lawrence A Sequeira	April 30, 2021	Promoter & Managing Director	63,000	--	Subscribed
4.	Mr. Joseph Sequeira	May 28, 2021	Promoter	1,73,000	--	Subscribed
5.	Mr. Lawrence A Sequeira	May 28, 2021	Promoter & Managing Director	15,000	--	Subscribed
6.	Mr. Joseph Sequeira	September 29, 2021	Promoter	4,93,333	--	Subscribed
7.	Ms. Catherine Lawrentia D'Souza	September 29, 2021	Promoter	50,000	--	Subscribed
8.	Mr. Lawrence A Sequeira	September 29, 2021	Promoter & Managing Director	52,000	--	Subscribed

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

Name	Designation	No. of Equity Shares held
Mr. Lawrence A Sequeira	Chairman cum Managing Director	1,30,000
Mr. Josly Eric Sequeira	Whole-Time Director	2,917
Mr. Alwin Sequeira	Whole-Time Director	2,917

20. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.
21. There are no partly paid-up Equity Shares as on the date of this Draft Prospectus and all Equity Shares were fully paid up as on the date of allotment. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid up at the time of Allotment.
22. Neither, we nor our Promoters, Directors and the Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
23. As on the date of filing of the Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Offer.
24. As on the date of the Draft Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
25. Our Company has not raised any bridge loan against the proceeds of the Issue.
26. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
27. As on the date of the Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
28. The Lead Manager i.e. Shreni Shares Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of the Draft Prospectus.
29. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares Issued have been listed or application moneys refunded on account of failure of Issue.
30. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments
31. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
32. An over-subscription to the extent of 2% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 2% of the Net Issue. In such an event, the Equity Shares held by the Promoter is used for allotment and lock- in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.



33. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
34. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of SEBI ICDR Regulations, 2018 and its amendments from time to time.
35. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
36. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
37. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
38. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
39. As on the date of the Draft Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
40. There are no Equity Shares against which depository receipts have been issued.
41. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Draft Prospectus.
42. We have 7 (Seven) Shareholders as on the date of filing of the Draft Prospectus.
43. There are no safety net arrangements for this Public Issue.
44. Our Promoters and Promoter Group will not participate in this Issue.
45. This Issue is being made through Fixed Price method.
46. Except as disclosed in the Draft Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Draft Prospectus.
47. No person connected with the Issue shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
48. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Draft Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## **SECTION VII – PARTICULARS OF THE ISSUE**

### **OBJECTS OF THE ISSUE**

The Issue includes a public Issue of upto 6,50,000 Equity Shares of our Company at an Issue Price of [●] per Equity Share

#### **The Fresh Issue**

The Net Proceeds from the Fresh Issue will be utilized towards the following objects:

1. To Meet Working Capital Requirement
2. General Corporate Purpose
3. To Meet the Issue Expenses

*(Collectively referred as the “objects”)*

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

The main objects clause of our Memorandum of Association enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association (MOA).

#### **Net Issue Proceeds**

The details of the proceeds of the Issue are summarized in the table below:

S. No	Particulars	Amt. (Rs. In Lakhs)
	Gross Issue Proceeds*	[●]
	Less: Issue Expenses*	[●]
	<b>Net Issue Proceeds*</b>	<b>[●]</b>

*\*to be updated in the prospectus prior to filing with RoC*

#### **Requirement of Funds: -**

The following table summarizes the requirement of funds:

S. No	Particulars	Amt. (₹ in Lakhs)	% of Total Issue Size
1.	To Meet Working Capital Requirement	[●]	[●]
2.	General Corporate Expenses <sup>#</sup>	[●]	[●]
3.	Public Issue Expenses	[●]	[●]
	<b>Gross Issue Proceeds*</b>	<b>[●]</b>	<b>[●]</b>
	<b>Less: Issue Expenses*</b>	<b>[●]</b>	
	<b>Net Issue Proceeds*</b>	<b>[●]</b>	

*#the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the Issue*

*\*to be updated in the prospectus prior to filing with RoC*

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as changes in our financial condition, business or strategy as well as external factors which may not be in our control and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management. In case of any surplus after utilization of the Net Proceeds for the stated objects, we may use such surplus towards general corporate purposes. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial years towards the aforementioned objects.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

The above estimates are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see section titled “Risk Factors” on page 24 of this Draft Prospectus.

**Utilization of Net Issue Proceeds:** The Net Issue Proceeds will be utilized for following purpose:

S. No	Particulars	Amt. (₹ in Lakhs)
1.	To Meet Working Capital Requirement	[●]
2.	General Corporate Expenses	[●]
	<b>Total</b>	[●]

**Means of Finance:** -We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt. (₹ in Lakhs)
Net Issue Proceeds	[●]
<b>Total</b>	[●]

*Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Prospectus.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company’s historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company’s management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “Risk Factors” beginning on page 24 of the Draft Prospectus.

**Details of Use of Issue Proceeds:**

#### 1. To Meet Working Capital Requirement

Our Company is in business of banquets and restaurants including fine dining. Considering the existing and future growth, the working capital needs of our company, as assessed based on the internal workings of our Company is expected to reach Rs. [●] Lakhs and Rs. [●] Lakhs respectively for FY 2021-2022 and FY 2022-2023. We intend to meet the requirement of our working capital requirements to the extent of [●] Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirements of the business.

Basis of Estimation of Working Capital requirement are as follows:

(₹ In Lakhs)				
S. No.	Particulars	Actual (Restated)	Provisional	Projected
		31-March-21	31-March-22	31-March-23
I	<b>Current Assets</b>			
	Trade receivables	1.73	2.00	2.50
	Inventories	5.85	20.00	30.00
	Cash and cash equivalents	6.41	99.80	41.23
	Short term loan & Advances	3.24	--	--
	Other Current Assets	4.63	708.24	708.24
	<b>Total(A)</b>	<b>21.87</b>	<b>830.04</b>	<b>781.97</b>
II	<b>Current Liabilities</b>			
	Trade payables	166.23	25.23	40.20
	Short Term Provisions	7.55	7.01	22.93
	Other Current Liabilities	70.56	33.81	57.86
	<b>Total (B)</b>	<b>244.34</b>	<b>66.05</b>	<b>120.99</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>(222.47)</b>	<b>763.99</b>	<b>660.98</b>
IV	Funding Pattern	--	--	--
	Short term borrowing & Internal Accruals	--	<b>763.99</b>	--
	<b>IPO Proceeds</b>			<b>[●]</b>

#### Justification:

S. No.	Particulars
<b>Debtors</b>	We expect Debtors holding days to be at 06 Days approx. for FY 2021-22 based on increased sales of services and better credit Management policies ensuring timely recovery of dues.
<b>Creditors</b>	We expect creditor payment days to be at 18 Days approx. for FY 2021-22 based on increased purchase and better credit period allowed by suppliers.
<b>Inventories</b>	We expects Inventory levels to maintain 11 Days approx. for FY 2021-22 due to their trading cycle, increase in sales and maintaining required level of Inventory.

## 2. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

### 3. Public Issue Expenses: -

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately [●] Lakhs which is [●] of the Issue Size. All the Issue related expenses shall be proportionately met out from proceeds of the Issue as per applicable laws. The break-up of the same is as follows:

Particulars	Estimated expenses (Rs. In Lakhs)	As a % of total estimated issue related expenses	As a % of the total Issue size
Lead Manager Fees including underwriting commission	[●]	[●]	[●]
Brokerage, selling, commission and upload fees	[●]	[●]	[●]
Registrar to the issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Others, if any (market making, depositories, marketing fees, secretarial, peer review auditors, etc.)	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs

1. ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Issue is made as per Phase I of UPI Circular) - Rs [●] per application on wherein shares are allotted.
2. Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them) - Rs [●] per application on wherein shares are allotted
3. Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank - Rs [●] per application on wherein shares are allotted
4. Sponsor Bank shall be payable processing fees on UPI application processed by them - Rs [●] per application on wherein shares are allotted
5. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
6. The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
7. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

### Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under: (₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 2022-23
1.	To Meet Working Capital Requirement	[●]
2.	General Corporate Purpose	[●]
	<b>Total</b>	<b>[●]</b>

### Funds Deployed and Source of Funds Deployed:

Our Statutory Auditors M/s. A Y & Co., Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lakh)*
Issue Expenses	[●]
<b>Total</b>	<b>[●]</b>

\* Amount inclusive of applicable taxes.

### **Sources of Financing for the Funds Deployed:**

Our Statutory Auditors **M/s. A Y & Co.,** Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

<b>Particulars</b>	<b>Amt. (₹ in Lakh)*</b>
Internal Accruals	[●]
<b>Total</b>	<b>[●]</b>

\* Amount inclusive of applicable taxes.

### **Appraisal**

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

### **Bridge Financing Facilities**

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

### **Monitoring Utilization of Funds**

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI LODR Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### **Variation in Objects**

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

### **Other confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

## **BASIS FOR ISSUE PRICE**

*Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the chapter titled “Business Overview” and its financial statements under the section titled “Financial Information of our Company” beginning on page 24, page 86 and page 134 respectively of this Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.*

The Issue Price has been determined by the Company in consultation with the LM on the basis of the key business strengths qualitative and quantitative factors of our Company. The face value of the Equity Shares is Rs. 10 and Issue Price is [●] which is [●] times of the face value.

### **QUALITATIVE FACTORS**

- Quality Food and Services
- Hygienic and prominent locations of our restaurants and banquets
- Leveraging the experience of our Promoter
- Scalable Business Model
- Attractive offering at competitive prices based on constant menu innovation and customer focus
- Understanding consumer preferences and development of new innovative dishes

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to chapter titled “Business Overview” beginning on page 86 of this Draft Prospectus.

### **QUANTITATIVE FACTORS**

Information presented below is derived from our Company’s Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### **1. Basic & Diluted Earnings per share (EPS), as restated:**

##### **Standalone:**

S. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2018-19	(0.24)	1
2.	FY 2019-20	0.13	2
3.	FY 2020-21	1.50	3
	<b>Weighted Average</b>	<b>0.75</b>	<b>6</b>
	<b>For the Period from April 01, 2021 to April 29, 2021*</b>	<b>0.01</b>	
	<b>For the Period from April 30, 2021 to May 31, 2021*</b>	<b>0.17</b>	

*\*Not annualised*

##### **Notes:**

- i. The figures disclosed above are based on the restated financial statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

#### **2. Price Earning (P/E) Ratio in relation to the Issue Price of [●] per share:**

##### **Standalone:**

Particulars	P/E
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2020-21	[●]
P/E ratio based on the Weighted Average EPS	[●]

<b>Industry PE</b>	[•]
Lowest	[•]
Highest	[•]
Average	[•]

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

S. No	Period	RONW (%)	Weights
1.	FY 2018-19	(0.54%)	1
2.	FY 2019-20	0.44%	2
3.	FY 2020-21	2.30%	3
4.	<b>Weighted Average</b>	1.21%	6
	<b>For the Period from April 01, 2021 to April 29, 2021</b>	0.01%	
	<b>For the Period from April 30, 2021 to May 31, 2021</b>	<b>0.60%</b>	

Notes:

1. *Return on Net Worth (%) = Net Profit after tax as restated / Net worth as restated as at year end.*
2. *Net worth is computed as the sum of the aggregate of paid up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.*

### 4. Net Asset Value (NAV) per Equity Share:

Sr. No.	As at	NAV (₹)
1.	March 31, 2019	43.84
2.	March 31, 2020	28.73
3.	March 31, 2021	65.30
4.	April 29, 2021	66.10
5.	May 31, 2021	23.16
	<b>Issue Price</b>	<b>[•]</b>

Notes:

1. *NAV per share = Restated Net worth at the end of the year/period divided by total number of equity shares outstanding at the end of the year/period.*
2. *Networth is computed as the sum of the aggregate of paid up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.*
3. *Issue Price per Equity Share will be determined by our Company in consultation with the Lead Manager.*

### 5. Comparison of Accounting Ratios with Industry Peers\*

S. No.	Name of Company	Results Type	Face Value (₹)	EPS (₹)	PE	RoNW (%)	NAV per Share (₹) <sup>2</sup>
1.	SBS Food Courts Limited <sup>1</sup>	Standalone	10.00	1.50	[•]	2.30%	65.30
2.	[•] <sup>3</sup>	[•]	[•]	[•]	[•]	[•]	[•]

\*Considering the nature and size of business of the Company, the peers are not strictly comparable. However the same has been included for broad comparison.

<sup>1</sup>Based on March 31, 2021 restated financial statements

<sup>2</sup>Net Assets Value is calculated on outstanding shares as on March 31, 2021

<sup>3</sup>The figures of peer group company are based on annual report of the Company available on website of stock exchange.



6. The face value of our shares is ₹10.00 per share and the Issue Price is of [●] per share which is [●] times of the face value.
7. The Issue Price will be determine by our Company in consultation with the Lead Manager and justified by our Company in consultation with the Lead Manager on the basis of above parameters.

Investors should read the above mentioned information along with chapter titled “Business Overview”, “Risk Factors” and “Financial Information of our Company” beginning on page 86, 24 and 134 respectively including important profitability and return ratios, as set out in chapter titled “Other Financial Information” on page 163 of this Draft Prospectus to have a more informed view.

## **STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS**

To,

**The Board of Directors**  
**SBS Food Courts Limited**  
**(Formerly known as SBS Food Courts)**  
 2, Asiad Apartment Adarsh Society Road,  
 Near SNDT College, Malad West  
 Mumbai - 400064  
 Maharashtra, India

Dear Sirs,

### **SUB: STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SBS FOOD COURTS LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS UNDER DIRECT AND INDIRECT TAX LAWS**

We refer to the proposed issue of equity shares of SBS Food Courts Limited (“the Company”). We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2021, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, presently in force in India for inclusion in the Draft Prospectus (“DP”) for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

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

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

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

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DP for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

### **LIMITATIONS**

*Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.*

*This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue).*

**For A Y & Co.**  
**Chartered Accountants**  
**FRN - 020829C**

**Arpit Gupta**  
**Partner**  
**Membership No. - 421544**  
**UDIN: 21421544AAAACU1667**

**Date: 25.10.2021**  
**Place: Mumbai**

## **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

### **Direct Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2021 i.e., applicable for Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India

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

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has applied section 115BAA for the assessment year 2021-22.

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

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

### **Indirect Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (collectively referred as "Indirect Tax").

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

There are no special tax benefits available to the Company under GST law.

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

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

## **SECTION VIII – 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. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

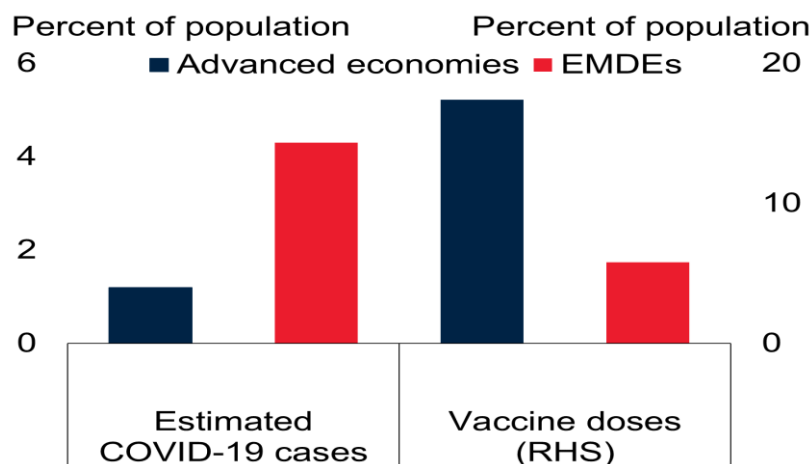
### **GLOBAL OUTLOOK**

The global economy is set to expand 5.6 percent in 2021—its strongest post-recession pace in 80 years. This recovery is uneven and largely reflects sharp rebounds in some major economies—most notably the United States, owing to substantial fiscal support—amid highly unequal vaccine access. In many emerging market and developing economies (EMDEs), elevated COVID-19 caseloads, obstacles to vaccination, and a partial withdrawal of macroeconomic support are offsetting some of the benefits of strengthening external demand and elevated commodity prices. By 2022, global output will remain about 2 percent below pre-pandemic projections, and per capita income losses incurred last year will not be fully unwound in about two-thirds of EMDEs. The global outlook remains subject to significant downside risks, which include the possibility of large COVID-19 waves in the context of new virus variants and financial stress amid high EMDE debt levels. Controlling the pandemic at the global level will require more equitable vaccine distribution, especially for low income countries. The legacies of the pandemic exacerbate the challenges facing policy makers as they balance the need to support the recovery while safeguarding price stability and fiscal sustainability. As the recovery becomes more entrenched, policy makers also need to continue efforts toward promoting growth-enhancing reforms and steering their economies onto a green, resilient, and inclusive development path.

Following a 3.5 percent contraction caused by the COVID-19 pandemic in 2020, global economic activity has gained significant momentum; however, it remains well below pre-pandemic projections. Moreover, the recovery is uneven, passing over many poorer countries, and there is considerable uncertainty about its durability.

The ongoing pandemic continues to shape the path for global economic activity, with severe outbreaks continuing to weigh on growth in many countries. The most recent wave of COVID-19 is now centered in some emerging market and developing economies (EMDEs), where more transmissible and virulent strains are spreading and where vaccine access remains limited. Vaccination remains especially feeble in low-income countries (LICs). In contrast, advanced economies have generally seen substantial vaccination progress, which has helped limit the spread of COVID-19.

**Figure 1.1.B. Distribution of COVID-19 cases and vaccine doses from mid-April to mid-May**



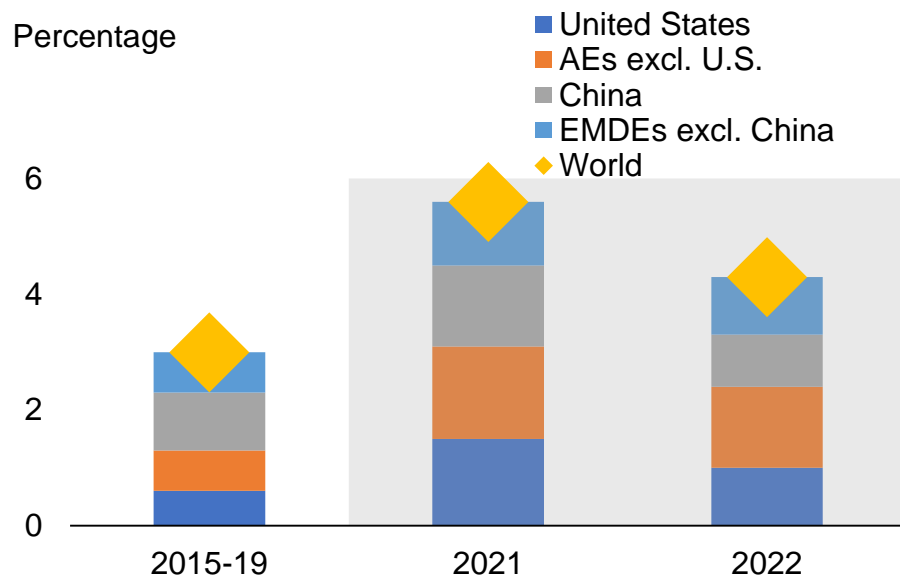
Note: Figure shows the one-month accumulation of COVID-19 cases in AEs and EMDEs over April 17-May 17, 2021, as estimated by the Institute for Health Metrics and Evaluation (IHME), and vaccinations as a share of the population. Sample includes 36 advanced economies and 120 EMDEs.

Amid continued vaccination, economic activity is firming across major advanced economies—most notably in the United States, where the recovery is being powered by substantial fiscal support. Growth in China remains solid but has moderated as authorities have shifted their focus from buttressing activity to reducing financial stability risks. Many other countries, primarily EMDEs, are experiencing subdued pickups alongside surges of COVID-19 cases, even if recent waves of infections appear to be less disruptive to economic activity than previous ones. Recoveries in fragile and conflict-affected LICs are particularly weak, as the pandemic has exacerbated underlying challenges. Whereas global manufacturing activity has firmed, with industrial production surpassing its pre-pandemic level, services activity—especially travel and tourism—remains soft.

Global financial conditions have tightened somewhat, partly reflecting a rise in U.S. bond yields amid increased inflation pressures. Nevertheless, they remain generally supportive, reflecting continued extraordinary policy accommodation by major central banks. Commodity prices have increased markedly, owing to the improving global outlook as well as commodity-specific supply factors. The recovery in global activity and in commodity prices is contributing to an increase in inflation, especially in some EMDEs that have experienced currency depreciation.

Against this backdrop, global output growth is projected to strengthen to 5.6 percent in 2021—its strongest post-recession pace in 80 years. The recovery is underpinned by steady but highly uneven global vaccination and the associated gradual relaxation of pandemic-control measures in many countries, as well as rising confidence. A substantial share of this rebound is due to major economies, with many EMDEs lagging behind. The United States and China are each expected to contribute over one-quarter of global growth in 2021, with the U.S. contribution nearly triple its 2015-19 average. Vaccination progress is a key determinant of near-term forecast revisions. Despite the strong pickup, the level of global GDP in 2021 is expected to be 3.2 percent below pre-pandemic projections.

**Figure 1.1.D. Contributions to global growth**



Note: AEs = advanced economies; EMDEs = emerging market and developing economies. Aggregate growth rates are calculated using GDP weights at average 2010-19 prices and market exchange rates. Figure shows contributions to global growth forecast for 2021 and 2022 compared to average contributions to growth in 2015-2019 period. Shaded area indicates forecasts.

The recovery is envisioned to continue into 2022, with global growth moderating to 4.3 percent. Still, by 2022, global GDP is expected to remain 1.8 percent below pre-pandemic projections. Compared to recoveries from previous global recessions, the current cycle is notably uneven, with per capita GDP in many EMDEs remaining below pre-pandemic peaks for an extended period.

In advanced economies, the rebound is expected to accelerate in the second half of 2021 as a broader set of economies pursue widespread vaccination and gradually reopen, with growth forecast to reach 5.4 percent this year—its fastest pace in nearly five decades. Growth is projected to moderate to 4 percent in 2022, partly as fiscal support in the United States begins to recede absent additional legislation.

Aggregate EMDE growth is forecast to reach 6 percent in 2021, as the effects of the pandemic gradually wane and as EMDEs benefit from elevated commodity prices and improving external demand. Nevertheless, the strength of the rebound this year mainly reflects robust pickups in a few large economies. In many other EMDEs, recoveries are expected to be dampened by elevated COVID-19 caseloads and obstacles to vaccine procurement and uptake, as well as by a partial withdrawal of monetary and, especially, fiscal support. Aggregate EMDE growth is projected to moderate to 4.7 percent next year, owing to the continued unwinding of fiscal support and subdued investment, leaving EMDE output 4.1 percent below pre-pandemic projections in 2022. Among LICs, growth is expected to pick up to an average of 3.8 percent in 2021-22—well below the average pace of 5.1 percent in the 2010-19 period, and leaving the 2022 level of output 4.9 percent below pre pandemic projections.

Notwithstanding these projected recoveries, the pandemic has had a devastating effect on per capita income growth, poverty, and inequality, which will linger for a protracted period. Although per capita income growth in EMDEs is projected to be 4.9 percent this year, it will be essentially zero in LICs. As a result, per capita income catch up with advanced economies could slow or even reverse in many poorer countries. Moreover, per capita income losses incurred in 2020 will not be fully unwound by 2022 in about two-thirds of EMDEs, including 75 percent of fragile and conflict-affected LICs. By the end of this year, it is expected that about 100 million people across EMDEs will have fallen back into extreme poverty. The pandemic's impact on poverty could reverberate for a prolonged period due to its scarring effects on long-term growth prospects. The pandemic has also exacerbated inequality as it has disproportionately affected vulnerable groups—including women, children, and unskilled and informal workers.

Moreover, the global outlook is clouded by uncertainty and subject to various risks. The continued spread of COVID-19 shows that repeated outbreaks are still possible, especially in light of the emergence of new variants that are more virulent, deadly, and resistant to vaccines. Elevated debt levels make the financial system vulnerable to a sudden increase in interest rates, which could stem from a rise in risk aversion, inflation, or expectations of faster monetary tightening. A spike in bankruptcies could damage the banking system, restrict the flow of credit, and trigger credit crunches. The near- and longer-term consequences of the COVID-19 crisis pose enormous policy challenges. The immediate priority continues to be pandemic control, including overcoming obstacles in procuring and distributing vaccines. International cooperation is needed to help ensure timely and equitable vaccine distribution—particularly in LICs, where inoculation continues to be very slow. As the pandemic is brought under control, policy actions will also be needed to address its adverse legacies, which will require balancing competing priorities.

In many economies, central banks will need to carefully weigh the continued weakness of domestic demand against near-term inflation pressures. Model-based forecasts and inflation expectations point to an increase in inflation in 2021 that will exceed target ranges in about one half of inflation-targeting EMDEs. Although this may not warrant an aggressive policy response, additional inflation pressure across EMDEs may risk de-anchoring inflation expectations and could trigger monetary tightening despite subdued recoveries, which in some cases could also result in financial stress.

Similarly, many EMDEs will need to be careful to avoid a premature withdrawal of fiscal support, while still keeping a steady eye on medium-term debt sustainability. Given the historic increase in sovereign debt, it will be essential to improve the efficiency of public spending. Strengthening domestic revenue mobilization and medium-term fiscal frameworks can help widen fiscal space and bolster policy credibility. Global cooperation, including private sector participation, is needed to provide debt relief to the world's poorest countries and fund the investments needed to boost growth and lower greenhouse gas emissions.

Notwithstanding the expected near-term recovery, EMDE output is likely to remain below its prepandemic trend for a prolonged period, as many fundamental drivers of growth have been scarred by the pandemic. A comprehensive set of policies will be required to promote a strong recovery that mitigates inequality and enhances environmental sustainability, ultimately putting economies on a path of green, resilient, and inclusive development (GRID). For example, labor market reforms and improved social safety nets can bolster labor productivity by facilitating the movement of labor toward high-growth sectors while protecting vulnerable groups. Productivity can also be boosted by efforts to increase access to digital connectivity and reduce trade costs, which are particularly elevated in EMDEs. Increasing investments in learning infrastructure and education will also be required to boost human capital and arrest recent declines in associated budgets, while expanding green investment can enhance climate resilience.

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

## **INDIAN ECONOMY OVERVIEW**

### **Introduction**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

### **Market size**

India's real gross domestic product (GDP) at current prices stood at Rs. 195.86 lakh crore (US\$ 2.71 trillion) in FY21, as per the second advance estimates (SAE) for 2020-21.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

India's foreign exchange reserves stood at US\$ 582.04 billion, as of March 12, 2021, according to data from RBI.

### **Recent Developments**

With an improvement in the economic scenario, there have been investments across various sectors of the economy. In 2020, the total deal value in India stood at ~US\$ 80 billion across 1,268 transactions. Of this, M&A activity contributed ~50% to the total transaction value. Private Equity - Venture Capital (PE-VC) sector recorded investments worth US\$ 47.6 billion across 921 deals in 2020. Some of the important recent developments in Indian economy are as follows:

- India's overall exports from April 2020 to February 2021 were estimated at US\$ 439.64 billion, (a 10.14% decrease over the same period last year). Overall imports from April 2020 to February 2021 were estimated at US\$ 447.44 billion (a 20.83% decrease over the same period last year).
- According to IHS Markit, Purchasing Managers' Index (PMI) for manufacturing stood at 57.5 in February 2021.
- Gross tax revenue stood at Rs. 113,143 crore (US\$ 15.58 billion) in February 2021, up from Rs. 105,361 crore (US\$ 14.51 billion).
- Cumulative FDI equity inflows in India stood at US\$ 749.39 billion between April 2000 and December 2020.
- India's Index of Industrial Production (IIP) for January 2021 stood at 135.2, against 136.6 for December 2020.
- Consumer Food Price Index (CFPI) – combined inflation was 3.87% in February 2021, against 1.96% in January 2021.
- Consumer Price Index (CPI) – combined inflation was 5.03% in February 2021, against 4.06% in January 2021.

### **Government Initiatives**

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term and long-term measures.

In the Union Budget 2021-22, capital expenditure for FY22 is likely to increase to increase by 34.5% at Rs. 5.5 lakh crore (US\$ 75.81 billion) over FY21 (BE) to boost the economy.

Increased government expenditure is expected to attract private investments, with production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded and measured policy support is anticipated to boost the Indian economy. In March 2021, the Ministry of Electronics and IT (MeitY) invited applications for the second round of large-scale electronics manufacturing under the production-linked incentive (PLI) scheme. The window to apply for the scheme has been opened until March 31, 2021, which could be further extended in accordance with guidelines issued by the MeitY.



In March 2021, following the announcement of incentive schemes for mobile and IT hardware manufacturing, the government announced to consider a key scheme for establishing display fabrication units in India. The Ministry of Electronics and Information Technology (MeitY) has requested expressions of interest (EoIs) from organisations interested in establishing LCD/OLED/AMOLED/QLED-based display fabrication units in India.

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. Mr. Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase 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 Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the Government are listed below:

- In March 2021, Flipkart announced plans to expand its grocery services to >70 cities in the next six months. As a result of this planned expansion, customers in seven key cities and >40 neighbouring cities will be able to access high-quality grocery items, deals, fast deliveries and a seamless shopping experience.
- In February 2021, Amazon India announced to start manufacturing of electronics products in India. The company plans to commence its manufacturing efforts with its contract manufacturer, Cloud Network Technology, a subsidiary of Foxconn in Chennai, and start production in 2021.
- In March 2021, India and Kuwait decided to establish a joint ministerial commission to strengthen ties in sectors such as energy, trade, investment, manpower & labour and IT. According to a joint statement, the commission will be focused on developing the best platform to strengthen alliance in areas of energy, trade, economy, investment, human resources, manpower and labour, finance, culture, information technology, health, education, defence and security.
- In March 2021, the parliament approved a bill to increase foreign direct investments (FDIs) in the insurance sector from 49% to 74%. Union Minister for Finance and Corporate Affairs, Ms. Nirmala Sitharaman, who is piloting the Bill, stated that increasing the FDI limit in the insurance sector will support insurers in boosting additional funds and overcoming financial issues.
- In March 2021, the parliament passed the 'National Commission for Allied, Healthcare Professions Bill, 2021'. Union Minister for Health and Family Welfare, Science and Technology and Earth Sciences, Mr. Harsh Vardhan stated that the law aims to meet the sector's long-standing demands and increase professional employment opportunities.
- In March 2020, the Union Cabinet approved the revised cost estimate (RCE) of the comprehensive scheme for strengthening of transmission & distribution in Arunachal Pradesh and Sikkim at an estimated cost of Rs. 9,129.32 crore (US\$ 1.26 billion) to support the economic growth in those by strengthening the intrastate transmission and distribution systems.
- In March 2020, the Union Cabinet approved a memorandum of understanding (MoU) signed between the Ministry of Agriculture and Farmers' Welfare and the Ministry of Agriculture of the Republic of Fiji to strengthen bilateral ties and collaborate in the area of agricultural and allied sectors.
- 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 going to increase public health spending to 2.5% of the GDP by 2025.
- For implementation of Agriculture Export Policy, Government approved an outlay Rs. 2.068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

### Road Ahead

India recorded the real GDP (gross domestic product) growth of 0.4% in the third quarter of FY21, as per the NSO's (National Statistical Office) second advance estimates. This rise indicates V-shaped recovery progression that started in the second quarter of FY21.

As per Economic Survey 2020-21, India's real GDP growth for FY22 is projected at 11%. The January 2021 WEO update forecast a 11.5% increase in FY22 and a 6.8% rise in FY23. According to the IMF, in the next two years, India is also expected to emerge as the fastest-growing economy.

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from 175 gigawatt (GW) by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

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

## **SERVICE INDUSTRY IN INDIA**

### **Introduction**

The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment, has contributed significantly to export and has provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction.

### **Market Size**

Share of the services sector accounted for 54% of the total GVA in FY21. India's services sector GVA increased at a CAGR of 11.43% to Rs. 101.47 trillion (US\$ 1,439.48 billion) in FY20, from Rs. 68.81 trillion (US\$ 1,005.30 billion) in FY16. Between FY16 and FY20, financial, real estate and professional services augmented at a CAGR of 11.68% (in Rs. terms), while trade, hotels, transport, communication and services related to broadcasting rose at a CAGR of 10.98% (in Rs. terms).

According to RBI, in June 2021, India's service exports stood at US\$ 19.72 billion, while imports stood at US\$ 11.14 billion. The India Services Business Activity Index/ Nikkei/IHS Markit Services Purchasing Managers' Index increased to 45.4 in July 2021 from 41.2 in June 2021.

### **Industry developments**

Some of the developments in the services sector in the recent past are as follows:

- In June 2021, India's exports increased by 48.34% to US\$ 32.5 billion, marking the seventh consecutive month of growth.
- The services\* category in India attracted cumulative foreign direct investment (FDI) worth US\$ 87.06 billion between April 2000 and March 2021. The services category ranked 1st in FDI inflow as per data released by the Department for Promotion of Industry and Internal Trade (DPIIT).
- According to Refinitiv, in the first-half of 2021, private equity investments in India stood at US\$ 11.82 billion, as compared with US\$ 5.43 billion in the same period last year.
- In August 2021, the Department of Telecommunications (DoT) issued a letter of intent (LoI) to OneWeb (backed by Bharti Group) for satellite communication services licence.
- In July 2021, Tata Teleservices collaborated with Zoom Video Communications to offer bundled communication services.
- In April 2021, the Ministry of Education (MoE) and University Grants Commission (UGC) started a series of online interactions with stakeholders to streamline forms and processes to reduce compliance burden in the higher education sector, as a follow-up to the government's focus on ease of doing business to enable ease of living for stakeholders.
- On March 17, 2021, the Health Ministry's eSanjeevani telemedicine services crossed 3 million (30 lakh) teleconsultations since its launch, enabling patient-to-doctor consultations from the confines of their home and doctor-to-doctor consultations.

- In April 2021, Elon Musk's SpaceX has started accepting pre-orders for the beta version of its Starlink satellite internet service in India for a fully refundable deposit of US\$ 99. Currently, the Department of Telecommunications (DoT) is screening the move and more developments will be unveiled soon.
- In December 2020, a cohort of six health-tech start-ups—AarogyaAI, BrainSightAI, Fluid AI, InMed Prognostics, Wellthy Therapeutics, and Onward Assist—have been selected by the India Edison Accelerator, fuelled by GE Healthcare. India Edison Accelerator, the company's first start-up partnership programme focused on Indian mentors, creates strategic partners to co-develop healthcare solutions.
- The Indian healthcare industry is expected to shift digitally enabled remote consultations via teleconsultation. The telemedicine market in India is expected to increase at a CAGR of 31% from 2020 to 2025.
- In December 2020, Gamma Skills Automation Training introduced a unique robotics & automation career launch programme for engineers, an 'Industry 4.0 Hands-on Skill Learning Centre' located at IMT Manesar, Gurgaon in Haryana.
- In December 2020, the 'IGnITE' programme was initiated by Siemens, BMZ and MSDE to encourage high-quality training and technical education. 'IGnITE' aims to develop highly trained technicians, with an emphasis on getting them ready for the industry and future, based on the German Dual Vocational Educational Training (DVET) model. By 2024, this programme aims to upskill ~40,000 employees.
- In October 2020, Bharti Airtel entered cloud communications market with the launch of business-centric 'Airtel IQ'.

### Government Initiatives

The Government of India recognises the importance of promoting growth in services sector and provides several incentives across a wide variety of sectors like health care, tourism, education, engineering, communications, transportation, information technology, banking, finance and management among others.

The Government of India has adopted few initiatives in the recent past, some of these are as follows:

- According to a spokesperson, the Indian government is planning to introduce a credit incentive programme worth Rs. 50,000 crore (US\$ 6.8 billion) to boost healthcare infrastructure in the country. The programme will allow companies to access funds to ramp up hospital capacity or medical supplies with the government acting as a guarantor.
- In June 2021, India and Australia announced its collaboration in cyber-enabled critical technologies, highlighting the requirement to boost the critical information security infrastructure such as 5G telecom networks.
- Under Union Budget 2021-22, the government allocated Rs. 7,000 crore (US\$ 963.97 million) to the BharatNet programme to boost digital connectivity across India.
- FDI limit for insurance companies has been raised from 49% to 74% and 100% for insurance intermediates.
- In May 2021, the Ministry of Commerce and Industry announced that India received an FDI inflow of US\$ 81.72 billion, the highest FDI during FY 2020-21.
- In March 2021, the central government infused Rs. 14,500 crore (US\$ 1.99 billion) capital in Central Bank of India, Indian Overseas Bank, Bank of India and UCO Bank through non-interest bearing bonds.
- On January 15, 2021, the third phase of Pradhan Mantri Kaushal Vikas Yojana (PMKVY) was launched in 600 districts with 300+ skill courses. Spearheaded by the Ministry of Skill Development and Entrepreneurship, the third phase will focus on new-age and COVID-related skills. PMKVY 3.0 aims to train eight lakh candidates.
- In January 2021, the Department of Telecom, Government of India, signed an MoU with the Ministry of Communications, Government of Japan, to strengthen cooperation in the areas of 5G technologies, telecom security and submarine optical fibre cable system.
- On November 4, 2020, the Union Cabinet, chaired by the Prime Minister, Mr. Narendra Modi, approved to sign a memorandum of understanding (MoU) between the Ministry of Communication and Information Technology and the Department of Digital, Culture, Media and Sports (DCMS) of United Kingdom Government to cooperate in the field of telecommunications/information and communication technologies (ICTs).
- In October 2020, the government selected Hughes Communications India to connect 5,000 village panchayats in border and naxal-affected states and island territories with satellite broadband under BharatNet project by March 2021.
- In September 2020, the government announced that it may infuse Rs. 200 billion (US\$ 2.72 billion) in public sector banks through recapitalisation of bonds
- In the next five years, the Ministry of Electronics and Information Technology is working to increase the contribution of the digital economy to 20% of GDP. The government is working to build cloud-based infrastructure for collaborative networks that can be used for the creation of innovative solutions by AI entrepreneurs and startups.

- On Independence Day 2020, Prime Minister Mr. Narendra Modi announced the National Digital Health Mission (NDHM) to provide a unique health ID to every Indian and revolutionise the healthcare industry by making it easily accessible to everyone in the country. The policy draft is under ‘public consultation’ until September 21, 2020.
- In September 2020, the Government of Tamil Nadu announced a new electronics & hardware manufacturing policy aligned with the old policy to increase the state's electronics output to US\$ 100 billion by 2025. Under the policy, it aims to meet the requirement for incremental human resource by upskilling and training >100,000 people by 2024.
- Government of India has launched the National Broadband Mission with an aim to provide Broadband access to all villages by 2022.

### **Road Ahead**

By 2025, healthcare industry is expected to reach US\$ 372 billion. India’s digital economy is estimated to reach US\$ 1 trillion by 2025. By end of 2023, India’s IT and business services sector is expected to reach US\$ 14.3 billion with 8% growth.

The implementation of the Goods and Services Tax (GST) has created a common national market and reduced the overall tax burden on goods. It is expected to reduce costs in the long run-on account of availability of GST input credit, which will result in the reduction in prices of services.

(Source – <https://www.ibef.org/industry/services.aspx>)

## **BUSINESS OVERVIEW**

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year.*

*You should carefully consider all the information in this Draft Prospectus, including, “Risk Factors”, “Industry Overview”, “Financial Statements of our company” and “Management’s Discussion & Analysis of Financial Condition & Results of Operations” beginning on pages 24, 78, 134 and 164, respectively, before making an investment in the Equity Shares. In this section, any reference to the “Company” “we”, “us” or “our” refers to SBS Food Courts Limited.*

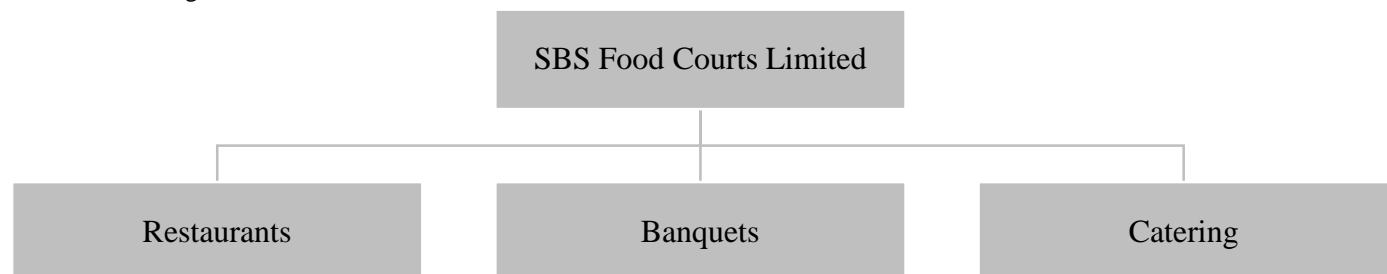
### **Overview**

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 in the name and style of “M/s. S.B.S Food Court”, pursuant to a deed of partnership dated October 18, 2004. Subsequently, the constitution of partnership firm was changed on December 29, 2004 and January 20, 2021 by admission of partners. “M/s. S.B.S Food Court” was thereafter converted from a partnership firm to a public limited company under Part I chapter XXI of the Companies Act, 2013 in the name of “SBS Food Courts Limited and received a certificate of incorporation dated April 30, 2021 from the Registrar of Companies, Central Registration Centre.

Our company is engaged in event and dining segment of hospitality industry. We also undertake outdoor catering and provide banquet facilities for events. Our Company operates its restaurants and banquets under the brand name of “Flag’s”. Food service is a dominant segment of the hospitality industry that represents a significant proportion of the economy. Our company specializes in semi fine dining restaurants with special emphasis on vegetarian food and providing variety of world cuisines under one roof.

Our Company is diversified in following services: -

1. Fine Dining Services through its Restaurants
2. Banquet Services
3. Catering Services



Our company envisage to become trend setters in the Events and Dining segment of the Hospitality Industry. It aspires to be the preferred destination for Events and Dining by offering innovative products as per international standards and delivering exemplary service and thereby leaving an indelible mark of our brand in the minds of our valued patrons. We endeavour to create not just an Events and Dining Company but an Institution that will prepare our human resources as hoteliers and entrepreneurs of the future.

Our Company SBS Food Courts Limited (Erstwhile partnership firm S.B.S Food Court) started its first restaurant in the year 2005 i.e. Flag’s Veg World Restaurant. Further in July, 2020 we have entered into lease agreement for banquet i.e. Flag’s Avant Garde Banquet which was earlier operated by our Group Company Flag Hotels Private Limited and our Company is successfully running the said banquet from July, 2020. Also our Company is proposing the restaurant and banquet i.e. Flag’s III at Kandivali (West), Mumbai.

We endeavour to provide the finest Food and Beverages by incorporating the latest Industry Trends and supported by personalized yet elegant service to our valued patrons at all our Banqueting Venues and Restaurants thereby achieving and maintaining high

levels of “Customer Delight”. We carve out a niche for ourselves as pioneers in the Dining Segment of the Hospitality Industry by promoting World Cuisines under one roof, keeping in mind local palates without compromising on the authenticity of the cuisine.

Our company provide a professional, conducive and congenial work atmosphere with suitable growth opportunities to all our associates, which enable them to work together as a cohesive unit in order to provide a product of the highest standard and the desired levels of Customer Service while addressing their career advancement needs. We are fair and just in dealing with all our stakeholders (Suppliers, Government Regulatory Bodies, Financers, Bankers, Industry Associations and Competitors), and sincerely fulfil our social responsibilities to the best of our abilities.

Our core values prioritise being customer-focused to provide excellent products and service and employee-focused by maintaining a superior quality work environment. Our Company places a strong emphasis on customer reviews and feedback for our Service. We believe the value we offer, the nature and quality of our food offerings and the ambience and service of our restaurants create a one-of-a-kind overall customer experience.

Our Registered Office is situated at 2, Asiad Apartment, Adarsh Society Road, Near SNTD College, Malad West, Mumbai- 400064, Maharashtra, India.

Our Promoters are Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D’Souza and Mr. Lawrence A Sequeira who have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning. We have a strong management team with significant industry experience. Our Chairman and Managing Director, Mr. Lawrence A Sequeira has 40 years of experience in the hospitality industry. The vast experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters and senior management team and their experience of over a decade in the industry in which our Company operates.

## **IMPACT OF COVID-19 ON OUR BUSINESS**

The World Health Organization declared the outbreak of COVID-19 a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. Further, on March 14, 2020, India declared COVID-19 as a “notified disaster” and imposed a nationwide lockdown announced on March 24, 2020. As a result of COVID-19, we have had to temporarily close our restaurants commencing from March 2020 and have experienced reduced operating hours and restaurant closures. During the initial stage of the COVID-19 crisis, footfalls and sales in our restaurants fell significantly due to the lockdown and other measures implemented by the GoI. Our footfalls and sales have since started to recover, although not yet to levels we saw prior to the COVID-19 crisis. Also our banquets and catering service are not fully operational due to restriction of government on public gathering.

As of the date of the filing of this Draft Prospectus, our restaurants have opened for dine-in guests, takeaway and delivery, however, the capacity may be limited, based on local regulations of Mumbai. The reduction in the level of business activity due to the COVID-19 crisis has also led to write offs of food inventory and a reduction in orders with our suppliers since our inventory includes food items which are perishable in nature. Similarly, our registered office also experienced closures and certain employees have been restricted from commuting to their places of work.

## **OUR STRENGTHS**

### ***Quality Food and Services: -***

We adhere to quality standards as per industry standards as we are capable of meeting the quality standards, which enables us to maintain our brand image in the market. Our ability to maintain and improve the quality of food we offer to customers enables us to generate stable revenue and minimize customer complaints. We now focus on guiding the overall experience of our customer which is intended to upgrade the experience of customer to one of much greater engagement and satisfaction. We are very particular and stringent about hygiene and fumigation our process. Our dedicated efforts towards the quality helped us gain a competitive advantage over others. We believe that our quality dishes have earned us a goodwill from our customers, which has resulted in repeat guests in our banquet segment comprising of corporates and families.

### ***Hygienic and prominent locations of our restaurants and banquets***

Our location is selected considering factors like location visibility, presence of competition, vehicle count, footfalls, etc. Our company is committed to showcase the best in Architectural & Interior Designing Concepts at all our venue through our Architect and Interior Designing Vendor. We also follow the protocols of COVID-19 keeping safe and hygienic for our customers.

### ***Leveraging the experience of our Promoter: -***

Our Promoters, Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D'Souza and Mr. Lawrence A Sequeira is having vast experience in field of our business which has contributed significantly to the growth of our Company. Under their management, our business has grown over the years and we have become a well-known local name in the industry. Our management team including our whole-time directors is familiar with our business and understands our customer's needs and requirements. They are committed to the development of our business and will continue to spearhead our Company's business operations and future plans so as to ensure the continuing success of our Company. We believe that our management team's experience and their understanding of this business will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent agents, and fluctuations in prices.

### ***Scalable Business Model: -***

Our business model is order driven, and comprises of optimum utilization of our resources and thereby enabling us to achieve consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the development of new markets, by adopting aggressive marketing, adding more cuisines and also by maintaining the consistent quality of the dishes we offer.

### ***Attractive offering at competitive prices based on constant menu innovation and customer focus: -***

Indian cuisine is a natural part of the cuisines in the markets we operate and we believe it is relatively less prone to mechanization compared to QSR (Quick Service Restaurant) offerings. We continue to offer new menu options largely based on Indian cuisine and use seasonal guest preferences to introduce new dishes. We also serve world cuisines with representation from over 30 countries. We believe our approach of constant innovation assists in retaining our competitiveness, maintaining our repeat guest base and attracting new guests. We have several years of experience in catering to guest tastes and preferences in India, which has provided us with deep knowledge of their expectations. Based on our experience and regular guest feedback, we carefully design and adjust our menus to suit what we believe are the current tastes and preferences of our guests. We aim to inculcate a service mind-set in all our staff and train them to be attentive to guest needs without being overly formal.

### ***Understanding consumer preferences and development of new innovative dishes: -***

We offer a wide variety of dishes at our Restaurants as well as at outdoor catering. The markets where we operate may demand frequent change in the future including new dishes and dish variant introductions. We plan our menus and dishes based on guest consumption patterns as well as on anticipated trends and guest preferences in the forthcoming seasons. We believe that our ability to understand consumer preferences and our focus on initiatives to develop menus that are most valued by consumers is one of our key strengths. We believe in constantly addressing the customer needs for variety of our dishes. This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy. We have loyal guest base of patrons built over the years with commitment to quality and guest relationship management. We believe that our existing relationship with our clients represents a competitive advantage in increasing our business and gaining new clients.

## **OUR STRATEGIES**

### ***Preserve our guest and team-focused culture and values:***

Our employees are critical to our guest-focused business. We internally assess our employees to periodically identify competency gaps and use development inputs to address these gaps. We have been successful in building a team of talented professionals and intend to continue placing emphasis on managing attrition as well as attracting and retaining employees. We will continue to implement staff training policies and assessment procedures in a transparent and consistent manner as in the past and to continue

investing in and other resources that enhance our employees' skills and productivity. We will continue to help our employees develop understanding of our core values including our guest-oriented focus and service quality standards to enable them to continue to meet our guests' needs and preferences. We will continue to regularly review and update our employee compensation plans and bonuses based on their individual performance so that our employees are suitably incentivized. We also intend to continuously re-engineer our organization to remain lean in order to respond effectively to changes in our business environment and key markets.

***Increase same store sales growth, revenue per store and profitability:***

We are committed to continuing to enhance our comparable restaurants sales growth and profitability. Accordingly, we intend to implement a number of initiatives, many of which represent natural extensions and a continuing refinement of our strategy to date. These key initiatives include:

- Increasing sales volume by introducing new and innovative dishes.
- Increasing average daily revenue per restaurant including by publicizing to our customers the different food cuisines available.
- Increasing guest traffic by upgrading the decor of existing restaurants to revitalize their ambience and create a welcoming atmosphere;
- Improving purchasing and logistics cost control through centralized purchases and strategic stocking of inventories in third-party central warehouses;
- Increasing cost savings and operational efficiencies by further consolidating food preparation processes into our central kitchens;
- Optimizing restaurant-level staffing to maintain our service quality and reduce our labour costs;
- Maximizing utilization of food ingredients by promoting multiple menu and serving arrangements;
- Increasing profitability by introducing new and innovative dishes that utilize food ingredients that are available in high quality and at low costs;
- Actively reducing wastage of food ingredients.

***Optimal Utilization of Resources:***

Our Company constantly endeavors to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for providing services which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use. We also intend to continue to build on our inclusive culture to ensure our employees remain engaged and committed to delivering exceptional service.

***To build-up a professional organization:***

As an organization we believe in transparency and commitment in our work among our work force and with our suppliers, customers, financial institutions etc. We have employed experienced persons for taking care of our day to day activities. We also consult with outside agencies on a case to case basis on technical and financial aspects of our business. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

**SWOT ANALYSIS:-**

**STRENGTHS**

- ✓ Quality Assurance
- ✓ Cordial Relationship with Customers
- ✓ Ability to control cost
- ✓ Experience Management Team
- ✓ Variety of Banquet options to suit the varied requirement of our esteemed clientele.
- ✓ Loyal Guest base of patrons built over the years.

**WEAKNESSES**

- ✓ Working Capital Intensive Business
- ✓ Heavy dependence on suppliers for right quality of Products.



- ✓ Strong existing competitors
- ✓ Limited market share

#### OPPORTUNITIES

- ✓ Establishment of market in neighboring states
- ✓ Broaden our offerings to target new segments
- ✓ Attract new customers through special offers

#### THREATS

- ✓ Increased Competition from Local & Big Players
- ✓ Change in Government Policies
- ✓ Fluctuations in Market Prices.
- ✓ Intense competitive pressure
- ✓ Key competitors gaining market share

#### **FINANCIAL SNAPSHOT OF OUR GROUP:**

The financial information of our Company as per Restated Financial Statements for period May 31, 2021, April 29, 2021 and year ended 2021, 2020 and 2019 are set forth below:

(₹ in lakhs)

Particulars	As at May 31, 2021	As at April 29, 2021	As at March, 31		
			2021	2020	2019
Equity Capital	90.00	462.69	457.13	201.09	306.90
Reserves and Surplus	121.24	-	-	-	-
Net worth	208.48	462.69	457.13	201.09	306.90
Total Revenue (including other income)	37.71	33.23	639.75	655.85	255.20
Profit/ (Loss) after tax	1.24	0.04	10.52	0.88	(1.66)

The financial information of our Group Company i.e. Flags Hotels Private Limited as per Audited Financial Statements for year ended March 31, 2021, 2020 and 2019 are set forth below:

(₹ in lakhs)

Particulars	As at March, 31		
	2021	2020	2019
Equity Capital	1.00	1.00	1.00
Reserves and Surplus	(532.04)	(26.10)	(57.72)
Net worth	(531.04)	(25.10)	(56.72)
Total Revenue (including other income)	157.47	1005.50	1322.81
Profit/ (Loss) after tax	(505.94)	31.62	20.72

#### **OUR LOCATION**

<b>Registered Office</b>	2, Asiad Apartment, Adarsh Society Road, Near SNDT College, Malad West, Mumbai - 400064, Maharashtra, India.
<b>Corporate Office &amp; Banquet</b>	Kavi Ram Basakhetre Road, Near Marks and Spencer, Lokhandwala Complex, Andheri (West), Mumbai – 400053, Maharashtra, India
<b>Restaurant</b>	Asiad CHS Ltd., B.J. Patel Road, Near Liberty Garden, Malad (West), Mumbai – 400064, Maharashtra, India

## **OUR BUSINESS OPERATIONS:**

### **1. Fine Dining Service:**

We provide Fine dining service in our restaurant which includes delivering the highest level of customer service. We offer our Guests with elegant ambiance, upscale table settings, and a menu with variety of Indian and international dishes. We also provide servers to uphold fine dining etiquette. We offer our fine dining service through our below restaurant.

#### *Flag's Veg World Cuisine Restaurant:*

Our Company operate a restaurant i.e. "Flag's Veg World Cuisine" which was establish in the year 2005 at Asiad CHS Ltd., B.J. Patel Road, Near Liberty Garden, Malad west, Mumbai- 400064, Maharashtra, India.

This restaurant serve World Cuisines including North Indian, Chinese, Mexican, Continental etc. with representation from over 30 countries and it is suitable for family and group dining. Our special emphasis on vegetarian food.

Our company is committed to showcase the best in Architectural & Interior Designing Concepts at all our venue through our Architect and Interior Designing Vendor. Some of pictures of our restaurant is as follows:



### **2. Banquet Services:**

We offer Banquet service which is an elaborate meal than a regular family dinner due to the scope of the event or size of the crowd present. These services are offered for various occasions such as the marriage, meeting, conference etc. and they are decided by the extend of the event, menu, and crowd. We offer our services through our below banquet.

#### *Flag's Avant Garde Banquet:*

Our Company operate a banquet i.e. "Flag's Avant Garde" which situated at Kavi Ram Basakhetre Road, Near Marks and Spencer, Lokhandwala Complex, Andheri (West), Mumbai – 400053, Maharashtra, India. This venue is home to multiple banquet halls and lush green lawns, which are suitable for mid to large size gatherings without any hassle. There are variety of banquet options to suit the varied requirement of our esteemed clientele like it has;

- Richard's Banquet having seating Capacity of 400 and floating Capacity of 1000.
- Flag's Banquet having seating Capacity of 175 and Floating Capacity of 250
- Albert Hall having seating Capacity of 375 and floating Capacity of 800,
- Bennies Hall having seating Capacity of 375 and Floating Capacity of 500 each.

All above banquets are centralised AC, attached dress changing rooms and separate dining area. Flags Avant Garde has spacious car parking which can park upto 75 cars. This venue is suitable for various kinds of functions such as social events, cocktail parties or bachelorette parties, pre-wedding functions and transforms into a charming wedding venue with the decorator's touch. We provide in house catering in our banquets. Some of pictures of our banquet is as follows:

#### Main Lobby:



#### Richards Banquet



#### Flags Banquet





### Albert Banquet



### Bennies Banquet



### 3. Catering Service:

Our Company provides business of providing food and drink, typically at social events and in a professional capacity either on-site or at a remote site. Options range from full-service caterers that cook, deliver, set up and serve at an event. We majorly provide catering services in our banquets. Our service includes Design, create and submit menus for special events both large and small, and organize all items needed for delivery and meal preparation including Transport food, tables and other items needed to serve food during an event to ensure that all catering jobs move smoothly and efficiently.

### **OUR PROPOSED RESTAURANT AND BANQUET:**

#### *Flag's III Restaurant:*

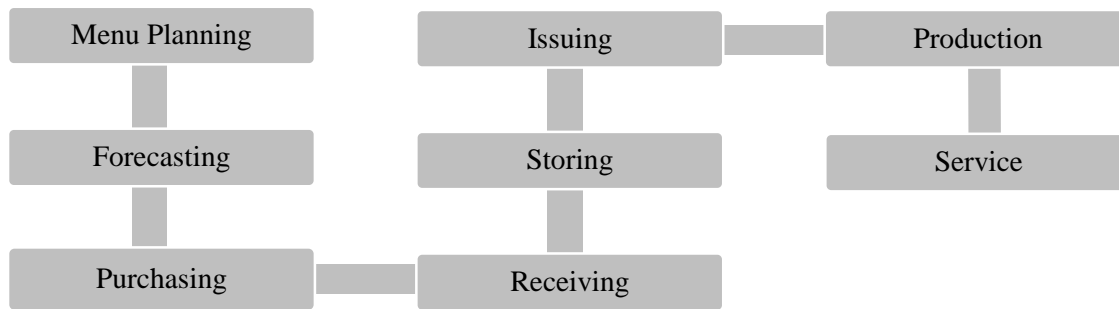
The Flag's III Restaurant is located at Shop No. 3A & 3B, Ground Floor at Milap Cinema, S.V. Road, Kandivali (West), Mumbai - 400067, Maharashtra, India is the latest offering from SBS Food Courts Limited to the Vegetarian Food Lovers in and around the suburb of Kandivali. The restaurant like its predecessors offers multiple World cuisines under one roof thus catering to varied taste and preferences, especially of Family and Group Diners. The restaurant with a warm and cozy interior design has a seating capacity of 160.

#### *Flag's III Banquet:*

The Flag's III Banquet is located at Shop No. 5, Second Floor Floor at Milap Cinema, S.V. Road, Kandivali (West), Mumbai - 400067, Maharashtra, India measuring 1700 sq ft with two Banquet Halls with a modern design, each having a capacity of upto 250 persons are ideal for pre-wedding functions like engagement, sangeet, mehendi, haldi and other social events like birthdays and anniversaries.

The opening of Flag's III Restaurant and Banquet marks the beginning of the expansion plans of SBS Food Courts Limited, and as always we endeavor to cater to Vegetarian Foodies in suburban Mumbai.

## **OUR BUSINESS PROCESS: -**



## **STEPS INVOLVED IN OUR BUSINESS PROCESS-**

### **Menu Planning:**

Menu Planning is first and foremost process in our business cycle as menu is the heart of any restaurant, it showcases everything that we want to offer to the customers. The menu should reflect the restaurant concept. Our company designs the menu keeping in mind the customer's expectations and various physical & Psychological factors. With the right menu designing, we will be able to feature the most popular, important and profitable dishes on our menu.

### **Forecasting:**

After menu planning, forecasting is done to make food item production decisions, prevents wastage, and also enables us to allocate the resources, such as staff or stock materials required to meet the demand. Forecasting tells us the exact requirements needed to prepare menu items thus preventing wastages and also ensure that we are able to cater to the customer demands.

### **Purchasing:**

Purchasing for restaurants involves procuring the products and services that the restaurant needs in order to serve its guests. Our company purchases the required materials from our suppliers according to the product specifications. A purchase order comes as a result of the product specification. Our restaurant develops purchase orders for items they need on a regular basis. These are then sent to suppliers for quotations, and samples are sent in for product evaluations. After that purchase order is placed.

### **Receiving:**

Receiving is a point of control in the restaurant operation. The purpose of receiving is to ensure that the quantity, quality, and price are exactly as ordered. The quantity and quality relate to the order specification and the standardized recipe. Some perishable items are issued directly to the kitchen, and most of the non-perishable items go into storage.

### **Storing:**

After completing the receiving process, purchased products are moved to the proper storage area. If products are stored correctly, all of the products that are purchased will be used to generate revenue. While storing products, it is necessary to retain product quality.

### **Issuing:**

Issuing is the process of moving products from storage rooms to service areas. The correct quantity of products must be issued to meet estimated guest demand. This process must be carefully controlled to minimize product misuse and we can match issues of items with the amount of revenues they should produce.

### **Production:**

Production in restaurants involve cooking techniques and the preparation of food or drinks through a variety of methods. Efficient production of food can be essential to the success of any food service establishment. The ability to accommodate rushes of customers and eliminate waste and inefficiencies are important considerations in managing supplies and planning food production.

### **Service:**

Service involves providing food and drink services to guests in restaurants, showing attentiveness, and understanding of their needs and expectations. Customer service in a restaurant is simply the advice and assistance we provide to our customers. It is a combination of communicating with our customers and also giving them our undivided attention. Customer satisfaction can affect our business significantly.

### **CAPACITY AND CAPACITY UTILIZATION:**

Our business is order specific and not of the nature of a manufacturing concern with specified installed capacity. Hence, capacity and capacity utilization is not applicable to us.

### **PLANT & MACHINERY: -**

Since we are primarily in the business of restaurants, banquets and catering, we do not require any major Plant & Machinery.

### **REVENUE BREAK UP:**

Activity wise break-up of our revenue as per Restated Financial Information is as under:

Particulars	For the period ended May 31, 2021	For the period ended April 29, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Restaurant Services	29.83	27.10	490.62	655.80	255.20
Banquets Services	7.88	6.13	140.89	--	--
Catering Services	--	--	8.24	--	--
<b>Total Revenue</b>	<b>37.71</b>	<b>33.23</b>	<b>639.75</b>	<b>655.80</b>	<b>255.20</b>

### **COLLABORATIONS/TIE UPS/ JOINT VENTURES:**

As on date of the Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures.

### **EXPORT OBLIGATION:**

Our Company does not have any export obligation as on date.

### **UTILITIES AND INFRASTRUCTURE FACILITIES: -**

Our registered Office, Restaurant and Banquets are situated at Mumbai, Maharashtra which is well equipped with air conditioners, computer systems, internet connection, other communication equipment's, security and other facilities. The places of operations have adequate power supply position from the public supply utilities. Water sources are available from municipal water supply. We usually analysis the requirement of food preparation equipment, utensils, tables, chairs and full redecoration time to time basis to maintain the quality, ambience and hygiene of our restaurant and banquets.

### **HUMAN RESOURCES**

We have experienced Promoter and management whom we rely on to anticipate industry trends and capitalize on new business opportunities that may emerge. We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for

its kind of business. Our senior management team consists of experienced individuals with diverse skills in hospitality, catering management, compliance, and finance. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth.

As on May 31, 2021 we have 42 employees at the Registered Office, Restaurant and Banquets including our Directors. Our work processes and skilled resources together with strong management team have enabled us to successfully implement our growth plans.

### **MARKETING AND ADVERTISING: -**

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our restaurant for a long period. Our advertising targets consumers with a preference for fresh, casual dining at an affordable price. Our advertising strategy is centered on increasing our brand awareness, complemented with promotions and festivals from time to time.

#### ***Marketing Strategy:***

We intend to focus on following marketing strategies:

1. Focus on existing markets and increasing our customer base.
2. Relaxed ambience and prompt service.
3. Quality food at affordable prices.

### **COMPETITION: -**

The Indian restaurant industry is competitive and fragmented. The Indian restaurant industry is also segregated into organized and unorganized segments. Data relating to the unorganized segment is scarce and unreliable. The number, size and strength of our competitors vary by location. Competition is based on a number of factors, including price, type of cuisine, quality of food, quality of guest service, value, name recognition and restaurant location.

However, we focus primarily on the quality of food, value for money and quality of service. However, some of our existing and potential competitors may have more resources than we do, and may be able to devote greater resources than we can to the development, promotion and sale of their services and products and respond more quickly than we can to changes in guest preferences or market trends. In addition, we face competition from a variety of smaller restaurants that focus on some of our targeted customers and they may be able to respond more promptly to changes in guest needs and preferences in those markets.

#### **The Details of Domain Name registered on the name of the Company is: -**

S. No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant Name	Creation Date	Registration Expiry Date
1.	Domain Name – www.sbsfcl.com Domain ID - 2649007113_DOMAIN_COM-VRSN	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	Registrant Name: SBS Food Courts Ltd	October 20, 2021	October 20, 2026

### **IMMOVABLE PROPERTY**

Details of our properties are as follows: -

S. No.	Details of the Property	Licensor/Lessor /Vendor	Owned/ Leased	Consideration/ Lease Rental/ License Fees (in Rs.)	Use
1.	Shop No. 01, Asiad Co-operative Housing Society Limited, Plot No. 23, B J	Mr. Joseph Sequeira	Leased	Rent Agreement dated October 28, 2021 made between Mr. Joseph Sequeira and SBS Food Courts Limited through its	Registered Office and Restaurant

	Patel Road, Malad West, Mumbai - 400064			Director Mr. Josly Eric Sequeira for 11 months beginning from October 28, 2021 on monthly rent of 10,000/-	
2.	Shop No. 02, Asiad Co-operative Housing Society Limited, Plot No. 23, B J Patel Road, Malad West, Mumbai - 400064	Mrs. Catherine Lawrentia D'Souza	Leased	Rent Agreement dated October 28, 2021 made between Mrs. Catherine Lawrentia D'Souza and SBS Food Courts Limited through its Director Mr. Josly Eric Sequeira for 11 months beginning from October 28, 2021 on monthly rent of 10,000/-	
3.	Shop No. 03, Plot No-23, B.J. Patel Road Malad (W), Mumbai-400064, Maharashtra, India.	Mr. Nevil R. Kotak represented through his natural guardian Mr. Rajesh A. Kotak	Owned	Agreement for Sale dated November 07, 2004 made between Nevil R. Kotak through his natural guardian Mr. Rajesh A. Kotak and M/s. S.B.S. Food Court for consideration of Rs. 8,55,000/-	
4.	Shop No. 04, Asiad Co-operative Housing Society Limited, Plot No. 23, B J Patel Road, Malad West, Mumbai - 400064	Mr. Lawrence A Sequeira	Leased	Rent Agreement dated October 28, 2021 made between Mr. Lawrence A Sequeira and SBS Food Courts Limited through its Director Mr. Josly Eric Sequeira for 11 months beginning from October 28, 2021 on monthly rent of 10,000/-	
5.	Kavi Ram Basakhetre Road, Near Marks and Spencer, Lokhandwala Complex, Andheri (West), Mumbai – 400053, Maharashtra, India	Flags Hotel Private Limited	Leased	Leave and License Agreement dated July 07, 2020 made between Flag Hotel Private Limited through its Director Mr. Josly Eric Sequeira and M/s S.B.S Food Court through partner Mr. Joseph Sequeira for five years from April, 2020 to March, 2025 on monthly license fee of Rs. 2,62,500/-.	Corporate Office & Banquet
6.	Shop No. 3A & 3B, Ground Floor at Milap Cinema, S.V. Road, Kandivali (West), Mumbai - 400067, Maharashtra, India	Milap Estates Private Limited	Leased	Lease Agreement dated September 18, 2021 made between Milap Estates Private Limited through its Director Mr. Ramanth Vijendra Shenai and SBS Food Courts Limited through authorized signatory Mr. Joseph Sequeira for ten years from September 01, 2021 to August 31, 2031 on monthly lease rent of Rs. 5,50,000/-	Proposed Restaurant
7.	Shop No. 5, Second Floor Floor at Milap Cinema, S.V. Road, Kandivali (West),	Milap Estates Private Limited	Leased	Lease Agreement dated September 27, 2021 made between Milap Estates Private	Proposed Banquet



	Mumbai - 400067, Maharashtra, India			Limited through its Director Mr. Ramanth Vijendra Shenai and SBS Food Courts Limited through authorized signatory Mr. Joseph Sequeira for ten years from September 01, 2021 to August 31, 2013 on monthly lease rent of Rs. 1,00,000/-	
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## **KEY REGULATIONS AND POLICIES**

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

### **THE COMPANIES ACT**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder. The Companies Act, 1956 is still applicable to the extent not replaced.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **SEBI REGULATIONS:**

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by SEBI ICDR Regulations and SEBI LODR Regulations, SEBI SAST Regulations, and SEBI PIT Regulations.

### **TAX RELATED REGULATIONS**

#### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### **Goods and Service Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments have enacted State Goods and Service Tax Act for respective states.

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

#### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance

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

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

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

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

All FBOs whose consumption of edible oils for frying is more than 50 litres per day are required to maintain usage records and would dispose used cooking oil to agencies authorised by the FSSAI. According to the Food Safety and Standards (Licensing and Registration of Food Business) Amendment Regulations, 2018, an e-commerce FBO (which includes sellers and brand owner who display or offer their food products, through e-commerce, and providers of transportation services for the food products and/or providing last mile delivery transportation to the end consumers), is required to obtain central license from the concerned central licensing authority.

Further, FSSAI has issued guidance note on “Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic” (“Guidance Note”) with an intent to provide guidance to food businesses, including their personnel involved in handling of food and other employees to prevent spread of COVID- 19 in the work environment and any incidental contamination of food/food packages. It also provides guidance in relation to operative mechanism such as establishment of an in-house emergency response team in large food businesses to deal with suspected infections effectively. It mandates that employers should have a COVID-19 screening protocol in place to screen all personnel entering the premise. All the employees or visitors should be screened at entry point for the symptoms of COVID-19 such as, among others, temperature (using non-contact type thermometer), cough, cold etc. The entrance shall mandatorily have measures installed for hand hygiene. Employees and food handlers should be encouraged to self-declare any symptoms of any respiratory illness before visiting the premises. To spread awareness and contain the spread of the disease, employers should employ and ensure compliance with numerous measures such as, among others, display of posters/standees/audio visuals on preventive measures for COVID-19, frequent usage of alcohol-based sanitisers, avoidance of close contact with symptomatic personnel, usage of face masks, and frequent cleaning and disinfection. Food sectors involved in food services, takeaways and deliveries shall ensure, among others, that the food service area shall be thoroughly cleaned and disinfected after every meal, hand wash facilities should be made available to the workers, employees wear a clean uniform, mask/ face cover, gloves and head covers at all time, adoption of contactless delivery. The Guidance Note prescribes guidelines for the management of the food establishment to handle a Covid-19 suspect/positive case in accordance with the guidelines issued by Ministry of Health and Family Welfare and clean and disinfect the premises accessed by the suspected Covid-19 case.

The Guidance Note mandates strict adherence to General Hygiene Practices specified under Schedule 4 of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011 (“Schedule”). The Schedule enumerates multiple compulsory measures to be adopted by food business operators in the interest of human nutrition, safety and hygiene. The Schedule mandates

that the premises shall be clean, adequately lighted and ventilated, and sufficient free space for movement shall be made available. In relation to personal hygiene – all employees should wash their hands properly and they should be made aware of measures to avoid cross-contamination. Further, among other things, eating, chewing, smoking, spitting and nose blowing shall be prohibited within the premises especially while handling food, and persons suffering from infectious diseases shall not be permitted to work. Any cuts or wounds shall remain covered at all time and the person should not be allowed to come in direct contact with food. Further, the Ministry of Health & Family Welfare framed the Food Safety and Standards (Amendment) Bill 2020, introducing 70 new amendments in the FSSA to alter huge parts of FSSAI functioning and its jurisdiction.

### **Prevention of Food Adulteration Act, 1954**

In order to sell foodstuffs in India, the Company is required to comply with the Prevention of Food Adulteration Act, 1954 (the “PFA”). The PFA is considered to be a consumer protection legislation, which has been designed to prevent, curb and check the adulteration of foodstuffs and to adequately punish the offenders. It covers various aspects of food processing such as food color, preservatives, pesticide residues, packaging and labeling and regulation of sales. To give effect to the provisions of the PFA, the Prevention of Food Adulteration Rules, 1955 (the “PFA Rules”) were promulgated. The enforcement of the PFA and the PFA Rules is entrusted to the Additional Director General of Health Services, Ministry of Health and Family Welfare, Government of India. Each State Government and Union Territory has created its own organization for implementation of the PFA and rules framed thereunder. The offence of adulteration under the PFA is a cognizable offence. The company may authorize any of its directors or managers (such manager being employed mainly in a managerial or supervisory capacity) to exercise all such powers and to take all such steps as maybe necessary and expedient to prevent the commission by the company of any offence under the PFA. If any offence is committed by the company under the PFA then the nominee shall be liable to be proceeded against and punished accordingly. The courts are empowered to impose penalties on the offenders for the contraventions of the provisions of the PFA. The procedure for the collection of samples, their analysis in the laboratory and timely report by the public analyst has been laid down in the PFA and the PFA Rules. The food inspectors appointed under the PFA are empowered to follow up cases of adulteration for which their powers and duties are prescribed. Provisions regarding search and seizure are also provided for in the PFA and the food inspector is empowered to break-open the package or door of any place. The liabilities of the manufacturers, dealers and retailers are also prescribed.

The Prevention of Food Adulteration Act, 1954 is expected to be replaced by the Food Safety and Standards Act (FSSA). The FSSA was enacted on August 23, 2006. However, the FSSA is yet to be notified in the Official Gazette. The FSSA incorporates the salient provisions of the Prevention of Food Adulteration Act 1954 and is based on international legislations, instrumentalities and Codex Alimentarius Commission. The objective of the FSSA is to consolidate the laws relating to food, establish the Food Safety and Standards Authority of India for laying down science-based standards for articles of food and regulate manufacture, storage, distribution, sale and import of food. The FSSA seeks to establish a single reference point for all matters relating to food safety and standards and ensure availability of safe and wholesome food for human consumption. The important provisions of the FSSA are:—

- Establishment of the Food Safety and Standards Authority (FSA) to regulate the food sector.
- FSA will be aided by several scientific panels and a central advisory committee to lay down standards for food safety. The standards will include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels.
- Enforcement through State Commissioners of Food Safety and other local level officials.
- Registration or licensing requirement for every entity in the food sector. Such license or a registration would be issued by local authorities.
- Every distributor is required to be able to identify any food article by its manufacturer, and every seller by its distributor.
- Any entity in the sector is bound to initiate recall procedures if it finds that the food sold has violated specified standards.

### **ENVIRONMENT REGULATIONS**

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

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

laboratories and the appointment of government analysts. The Environment Act prescribes penalties in form of fine, imprisonment or both, in case of non-compliance with the Environment Act or the rules thereunder.

### **National Environmental Policy, 2006**

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

### **Environment (Protection) Act, 1986 as amended (“EPA”)**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)**

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

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

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

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

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

### ***Plastic Waste Management Rules, 2016***

Under the Plastic Waste Management Rules, 2016 (“PWM Rules”), all institutional generators of plastic waste, are required to inter alia, segregate and store the waste generated by them in accordance with the Solid Waste Management Rules, 2016, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centers, either on its own or through the authorized waste collection agency. Recently, under the PWM Rules, producers, importers and brand-owners are required to obtain registration from the Central Pollution Control Board and the relevant State PCB, as the case may be.

### ***Solid Waste Management Rules, 2016***

All restaurants are required to ensure segregation of waste at source, facilitate collection of segregated waste in separate streams, handover recyclable material to either the authorized waste pickers or the authorized recyclers, in partnership with the local body. The bio-degradable waste shall be processed, treated and disposed off through composting or bio-methanation within the premises as far as possible. The residual waste shall be given to the waste collectors or agency as directed by the local body.

## **OTHER GENERAL REGULATIONS**

### **The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act"):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **The Sale of Goods Act, 1930 (Sale of Goods Act)**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

### **Foreign Exchange Management Act, 1999 ("FEMA") and Regulations framed thereunder.**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services. 100 % FDI is permitted in under the automatic route in the IT sector.

### **Shops and Establishments Legislations**

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

## **Police Laws and Fire Prevention Laws**

The state legislatures in India have enacted laws regulating public order and police, which provide, inter alia, for the registration of eating houses and obtaining a “no objection certificate” for operating such eating houses, from the police licensing authority, along with prescribing penalties for non-compliance. The state legislatures have also enacted legislations for fire control and safety including the Maharashtra Fire Prevention and Life Safety Measures Act, 2006, the Maharashtra Fire Prevention and Life Safety Measures Rules, 2009, which are applicable to our restaurants established in the respective state. The legislations include provisions in relation to provision of fire safety and life saving measures by occupiers of buildings, licensing provisions and penalties and/or suspension or cancellation of license for non-compliance.

## **Municipality Laws**

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

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

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

## **Copyright Act, 1957**

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

## **Public Liability Insurance Act, 1991 (“Public Liability Act”)**

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the Public Liability Act has been enumerated by the Government pursuant to a notification. The owner or handler is also required to take out an insurance policy insuring against liability under this legislation. Any party violating the provisions of the Public Liability Act can be imposed with a fine, imprisonment or both.

## **Consumer Protection Act, 2019 and Consumer Protection (E-Commerce) Rules, 2020 (“COPRA”)**

The COPRA will repeal the existing Consumer Protection Act, 1986, and shall come into force on such date as the Central Government may, by notification, appoint. The Consumer Protection Act, 1986 provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA will, inter alia, introduce a Central Consumer Protection Council to promote, protect and enforce the rights of consumers executive agency to provide relief to a class of consumers. The COPRA has brought e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling,

online market place or online auction sites. The COPRA also provides for referring the disputes to mediation for early settlement of the disputes between the parties and also prescribes the offences and the penalties for such offences.

### **Foreign Exchange Management Act, 1999 (“FEMA”)**

FEMA and regulations issued by RBI on Foreign Exchange Management regulate all transactions including exports from India to outside, foreign currency, foreign exchange, foreign security, imports of goods and services from outside India to India, securities as defined in Public Debt Act 1994, banking, financial and insurance services, sale, purchase and exchange of any kind (i.e. transfer) and any citizen of India, residing in the country or outside (NRI). The FEMA provides for monetary penalties, recovery procedures and imprisonment terms for various offences.

### **Prevention of Corruption Act, 1988 (“PCA”)**

The PCA inter alia, provides that offering bribe to a public servant, a public servant receiving bribe with the intention to perform or cause performance of public duty improperly or dishonestly or to forbear or cause forbearance to perform an undue advantage, or receive an undue advantage without any consideration, or any abetment to any offences under the PCA, would amount to offences under the PCA. The PCA prescribes the investigation procedure and punishment of imprisonment and fine for such offenses. The PCA prescribes imprisonment terms for any abetment, attempt and habitual occurrence of offenses.

### **Competition Act, 2002**

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 Competition Commission of India (“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.

### **Tourism Policy of Government of India**

In order to develop tourism in India in a systematic manner, position it as a major engine of economic growth and harness its direct and multiplier effects for employment and poverty eradication in an environmentally sustainable manner, the National Tourism Policy was formulated in the year 2002 (the “Tourism Policy”). Broadly, the Tourism Policy attempts to:—

- Position tourism as a major engine of economic growth;
- Harness the direct and multiplier effects of tourism for employment generation, economic development and providing impetus to rural tourism;
- Focus on domestic tourism as a major driver of tourism growth.
- Position India as a global brand to take advantage of the burgeoning global travel trade and the vast untapped potential of India as a destination;
- Acknowledge the critical role of the private sector with the government working as a pro-active facilitator and catalyst;
- Create and develop integrated tourism circuits based on India’s unique civilization, heritage, and culture in partnership with the state governments, private sector and other agencies; and



- Ensure that the tourist to India gets physically invigorated, mentally rejuvenated, culturally enriched, spiritually elevated and “feels India from within”.

### **Classification of Hotels**

Hotels are an important component of the tourism product. They contribute to the overall tourism experience through the standards of facilities and services offered by them. With the aim of providing contemporary standards of facilities and services available in the hotels, the Ministry of Tourism has formulated a voluntary scheme for classification of operational hotels which will be applicable to the following categories: —

Star Category Hotels: 5 Star Deluxe, 5 Star, 4 Star, 3 Star, 2 Star & 1 Star Heritage Category Hotels: Heritage Grand, Heritage Classic & Heritage Basic.

### **Registration of Tourist Trade Act**

Every state in India has in general a Registration of Tourist Trade Act (the “Tourist Trade Act”). The Tourist Trade Act requires all hotels, travel agents, tour operators, tourist guides, tourist taxi operators and dealers of notified articles and other persons engaged in tourist activities in each particular state to register themselves under the Tourist Trade Act. Under the Tourist Trade Act of each state, some officers of the Tourism Department have been vested with magisterial powers, including the power of compounding in case of cheating, overcharging, harassment, pestering, touting, etc. faced by tourists.

### **Intellectual Property Laws**

The Copyright Act, 1957 (“Copyright Act”) protects literary and dramatic works, musical works, artistic works including photographs and audio visual works (cinematograph films and video). The Copyright Act specifies that for the purposes of public performance of Indian or international music, a public performance license must be obtained. All those who play pre-recorded music in the form of gramophone records, music cassettes or compact discs in public places have to obtain permission for sound recordings. The Trade Marks Act, 1999 (“Trade Marks Act”) provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks.

### **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter-state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months. Every Principal Employer of the establishment employing inter-state migrant workmen has to make an application for the registration of the establishment in the prescribed manner and time. Also, a contractor employing inter-state migrant workmen has to obtain a license for the same from the licensing officer appointed for the purpose by the Central or the state Government. The license is valid only for a specified period and requires to be renewed at its expiry. The Act levies some duties on the principal employer and the contractor. The contractor is to provide for adequate wages, medical facilities and other benefits while it is the responsibility of the principal employer to provide for the displacement allowance and journey allowance to the workmen.

### **The Explosives Act, 1884 (“Explosives Act”)**

The Explosives Act is a comprehensive law which regulates by licensing for the manufacturing possession, sale, transportation, export and import of explosives. As per the definition of ‘explosives’ under the Explosives Act, any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act.

### **National Building Code of India, 2016 (the “Code”)**

The Code a comprehensive building code is a national instrument providing guidelines for regulating the building construction activities across the country. It serves as a model code for adoption by all agencies involved in building construction works, including the public works departments, other government construction departments, local bodies or private companies in the field of construction. The Code mainly contains administrative regulations, development control rules and general building requirements; fire safety requirements; stipulations regarding materials, structural design and construction (including safety) and building and plumbing services.

### **The Public Liability Insurance Act, 1991 (“PLI Act”)**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandates the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

### **The Legal Metrology Act, 2009**

Legal Metrology Act, 2009 was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. This act replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, with effect from March 1, 2011.

### **Registration Act, 1908**

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

### **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

### **Negotiable Instruments Act, 1881 (“NI Act”)**

The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honored by their bankers and returned unpaid.

### **Consumer Protection Act, 2019**

Few of the provisions of The Consumer Protection Act, 2019 (“COPRA”) have been notified vide notification No. S.O. 2421(E), dated 23rd July 2020 thus repealing the respective provisions of Consumer Protection Act, 1986. However the provisions of Consumer Protection Act, 1986, are still valid to the extent COPRA being not notified. The Consumer Protection Act provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA has brought e-commerce entities

and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. The COPRA also provides for mediation cells for early settlement of the disputes between the parties.

## **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### **Copyright Act, 1957 (“Copyright Act”)**

The Copyright Act grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire.

### **Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

### **The Designs Act, 2000 (Designs Act)**

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Employees State Insurance Act, 1948, as amended (the “ESIC Act”)**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day

of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

#### **Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,**

The Apprentices Act, 1961 was enacted with the objective of regulating the program of training of apprentices in the industry by utilizing the facilities available therein for imparting on-the-job training. The National Policy of Skill Development and Entrepreneurship 2015, launched by the Hon'ble Prime Minister on 15<sup>th</sup> July, 2015, focuses on apprenticeship as one of the key program for creating skilled manpower in India. The Apprentices Act, 1961 makes it obligatory for employers to engage apprentices under a duly executed contract, in designated trades and in optional trades. Directorate General of Training (DGT) under Ministry of Skill Development & Entrepreneurship monitors the implementation of the scheme of apprenticeship training. All establishments having work force (regular and contract employees) of 30 or more are mandated to undertake Apprenticeship Programs in a range from 2.5% -15% of its workforce every year.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 ("MWA Rules")
- Public Liability Insurance Act, 1991 ("PLI Act")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")
- Equal Remuneration Act, 1976 ("ER Act")
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ("WCA")
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946

#### **Other regulations:**

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

## **HISTORY AND CORPORATE STRUCTURE**

### **Brief History and Background**

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 in the name and style of "M/s. S.B.S Food Court", pursuant to a deed of partnership dated October 18, 2004. Subsequently, the constitution of partnership firm was changed on December 29, 2004 and January 20, 2021 by admission of partners. "M/s. S.B.S Food Court" was thereafter converted from a partnership firm to a public limited company under Part I chapter XXI of the Companies Act, 2013 in the name of "SBS Food Courts Limited and received a certificate of incorporation dated April 30, 2021 from the Registrar of Companies, Central Registration Centre. The Corporate Identification Number of our Company is U55101MH2021PLC359764.

Our Company was originally promoted by Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D'Souza, Mr. Lawrence A Sequeira, Mr. Josly Eric Sequeira, Mr. Alwin Sequeira, Mr. Vansh Manish Shah & Ms. Deshma Richard Sequeira who were the initial subscribers to the Company's Memorandum and Articles of Association in the year 2021. Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D'Souza and Mr. Lawrence A Sequeira, are Present Promoters of the Company.

As on date of this Draft Prospectus, our Company has Seven (7) shareholders.

For information on our Company's profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections entitled "Industry Overview", "Business Overview", "Our Management", "Financial information of our Company" and "Management's Discussion & Analysis of Financial Condition & Results of Operations" on pages 78, 86, 114, 134 and 164 respectively.

### **Address of Registered Office:**

The Registered Office of the Company is situated at 2, Asiad Apartment, Adarsh Society Road, Near SNDT College, Malad West Mumbai - 400064, Maharashtra, India.

### **Changes in Registered Office of the Company since incorporation**

There has not been any change in our Registered Office since incorporation till date of this Draft Prospectus.

### **Our Main Object**

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

1. To acquire, construct, own, operate, run and manage and to carry on the business of running hotels, motels, holiday camps, guest houses, restaurants, food courts, banquets, lawns, cloud kitchens, rest rooms, resorts, canteens, kitchens, food courts, shops, stores, mobile food counters, eating houses, kiosks, outlets, cafeterias, dine in facility, take away and/or delivery based services, caterers, cafes, refreshment rooms and lodging or apartments of house keepers, service apartments, clubs, swimming pools, health clubs, baths, dressing rooms, exporters, importers and all business incidental thereto, whether as owners, co-owners, joint ventures, operators, franchisees, franchisers and/or any other business model.
2. To carry on the business of manufacturing, buying, selling, producing, processing, importing, exporting, distributing, trading, supplying, running, managing and dealing in all kinds of food, food products, dairy products, bakery & confectionery products, whether as owners, co-owners, joint ventures, operators, franchisees, franchisers and/or any other business model.

### **Changes in Memorandum of Association**

There has been no change in the Memorandum of Association of our Company since its Incorporation:

### **Adopting New Articles of Association of the Company**

Our Company has adopted a set of Articles of Association of the Company of Company dated October 21, 2021.

## Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
2004	Formed as a Partnership Firm in the name and style of “M/s S.B.S Food Court”
	Admission of new partner in the firm
2005	First Restaurant i.e. Flag’s Veg World Restaurant started in the year 2005
2020	Flag’s Avant Garde Banquet was takeover in the year 2020
	Admission of new partners in the “M/s S.B.S Food Court”
2021	Conversion of Partnership Firm into Public Limited Company in the name and style of “SBS Food Courts Limited”
	Proposes opening of Flag’s III Restaurant and Flag’s III Banquet

## Other Details about our Company

For details of our Company’s activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled “Business Overview”, “Management’s Discussion & Analysis of Financial Conditions & Results of Operations” and “Basis for Issue Price” on pages 86, 164 and 72 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “Our Management” and “Capital Structure” beginning on pages 114 and 56 of this Draft Prospectus respectively.

## Acquisition of Business/Undertakings & Amalgamation

Except as disclose above and in this Draft Prospectus, there has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

## Holding Company

As on the date of this Draft Prospectus, our Company is not a subsidiary of any company.

## Subsidiary of our Company

As on the date of this Draft Prospectus, our company does not have any Subsidiaries/Holdings and Joint Ventures.

## Capital raising (Debt / Equity)

For details in relation to our capital raising activities through equity, please refer to the chapter titled “Capital Structure” beginning on page 56 of this Draft Prospectus. For details of our Company’s debt facilities, please refer section “Financial Information of our Company” on page 134 of this Draft Prospectus.

## Time and Cost overruns in setting up projects

There has been no time / cost overrun in setting up projects by our Company.

## Injunction or restraining order

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

## Revaluation of Assets

Our Company has not revalued its assets since incorporation

## Defaults or Rescheduling of borrowings with financial institutions/banks and Conversion of loans into Equity Shares

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of this Draft Prospectus. Furthermore, except as disclosed in chapter titled “Capital Structure” beginning on Page 56 of this Draft Prospectus, none of the Company's loans have been converted into equity in the past.

**Lock-out or strikes**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts except the lockdown as directed by Government of India during the pandemic situation of Covid-19 all over India.

As on the date of this Draft Prospectus, our employees are not unionized.

**Shareholders of our Company:**

Our Company has Seven (7) shareholders as on the date of this Draft Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “Capital Structure” beginning on page 56 of this Draft Prospectus.

**Changes in the Management**

For details of change in Management, please see chapter titled “Our Management” on page 114 of this Draft Prospectus.

**Changes in activities of our Company during the last five (5) years**

There has been no change in the business activities of our Company since incorporation which may have had a material effect on the profit/loss account of our Company.

Further except as above and as mentioned in Material development in chapter titled “Management’s discussion & analysis of financial conditions & results of operations” beginning on page 164 of this Draft Prospectus.

**Shareholders Agreements**

As on the date of this Draft Prospectus, there are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

**Collaboration Agreements**

As on the date of this Draft Prospectus, our Company is not a party to any collaboration agreements.

**Material Agreement**

Our Company has not entered into any material agreements other than the agreements entered into by it in ordinary course of business.

**Non-Compete Agreement**

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Draft Prospectus.

**Joint Venture Agreement**

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

**Strategic Partners**

Except as mentioned in this Draft Prospectus, Our Company does not have any strategic partners as on the date of this Draft Prospectus.

**Financial Partners**

Our Company does not have any financial partners as on the date of this Draft Prospectus.

### **Corporate Profile of our Company**

For details on the description of our Company's activities, the growth of our Company, please see "Business Overview", "Management's Discussion & Analysis of Financial Conditions & Results of Operations" and "Basis of Issue Price" on pages 86, 164 and 72 of this Draft Prospectus.



## OUR MANAGEMENT

**Board of Directors:** As per the Articles of Association, our Company is required to have not less than Three (3) Directors and not more than Fifteen (15) Directors. Currently, our Company has Six (6) Directors and out of which Three (3) are Non-Executive Independent Directors.

The following table sets forth the details regarding our Board of Directors of our Company as on the date of filing of this Draft Prospectus:

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships/ Designated Partner
1.	<b>Mr. Lawrence A Sequeira</b> <b>Father Name:</b> Mr. Albert Sequeira <b>Date of Birth:</b> 21/05/1960 <b>Age:</b> 61 Years <b>Designation:</b> Chairman cum Managing Director <b>Address:</b> A/301, Our Home Society, Domnic Colony, Road No.2, Near Axis Model Bank, Orlem Malad West, Mumbai-400064, Maharashtra, India. <b>Experience:</b> 40 Years <b>Occupation:</b> Business <b>Qualifications:</b> Matriculation <b>Nationality:</b> Indian <b>DIN:</b> 02842914	Originally appointed on the Board as Director w.e.f. April 30, 2021.  Further re- appointed as Chairman and Managing Director w.e.f. August 31, 2021 for a period of 5 years, not liable to retire by rotation.	1,30,000 Equity Shares; 8.67% of Pre- Issue Paid up capital	➤ Flags Hotels Private Limited. ➤ Series Ekitchens LLP
2.	<b>Mr. Josly Eric Sequeira</b> <b>Father Name:</b> Mr. Jockim Sequeira <b>Date of Birth:</b> 16/12/1990 <b>Age:</b> 30 Years <b>Designation:</b> Whole-time Director <b>Address:</b> A-301, Our Home Building, 2nd Domnic lane, Orlem, Malad West, Mumbai - 400064, Maharashtra, India. <b>Experience:</b> 10 Years <b>Occupation:</b> Business <b>Qualifications:</b> B.Sc in Hospitality Studies <b>Nationality:</b> Indian <b>DIN:</b> 08588131	Originally appointed on the Board as Director w.e.f. April 30, 2021.  Further re- appointed as Whole-Time Director w.e.f. August 31, 2021 for a period of 5 years, liable to retire by rotation	2,917 Equity Shares; 0.19% of Pre- Issue Paid up capital	➤ Flags Hotels Private Limited. ➤ Series Ekitchens LLP
3.	<b>Mr. Alwin Sequeira</b> <b>Father Name:</b> Mr. Albert Sequeira <b>Date of Birth:</b> 23/07/1972 <b>Age:</b> 49 Years <b>Designation:</b> Whole-time Director <b>Address:</b> Room No. 202, Asiad Apartment, B J Patel Road, Near Liberty Garden, Malad, West Mumbai - 400064, Maharashtra, India. <b>Experience:</b> 35 years	Originally appointed on the Board as Director w.e.f. April 30, 2021.  Further re- appointed as Whole-Time Director w.e.f. August 31, 2021 for a period of 5 years, liable to retire by rotation	2,917 Equity Shares; 0.19% of Pre- Issue Paid up capital	NIL

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships/ Designated Partner
	<b>Occupation:</b> Business <b>Qualifications:</b> 6 <sup>th</sup> Standard <b>Nationality:</b> Indian <b>DIN:</b> 09162481			
4.	<b>Mr. Jigar Dineshbhai Patel</b> <b>Father Name:</b> Dineshbhai Karsanbhai Patel <b>Date of Birth:</b> 06/07/1993 <b>Age:</b> 28 Years <b>Designation:</b> Non- Executive Independent Director <b>Address:</b> B/106, Sai Samrat, Navghar Fatak Road, Near Navghar Police Chowki, Bhayandar East, Thane - 401105, Maharashtra, India <b>Experience:</b> 2 Years <b>Occupation:</b> Service <b>Qualifications:</b> Bachelor of Commerce <b>Nationality:</b> Indian <b>DIN:</b> 09296896	Appointed on the Board as Non- Executive Independent Director w.e.f. August 31, 2021 for period of 5 years, not liable to retire by rotation.	NIL	NIL
5	<b>Mr. Ravikumar Yadav</b> <b>Father Name:</b> Laxman Yadav <b>Date of Birth:</b> 06/07/1986 <b>Age:</b> 35 Years <b>Designation:</b> Non- Executive Independent Director <b>Address:</b> Room No.505, Oshiwara Adarsh Nagar, Gulmohar CH, Oshiwara Link Road, Jogeshwari West, Andheri - 400102, Maharashtra, India. <b>Experience:</b> 10 Years <b>Occupation:</b> Business <b>Qualifications:</b> Bachelor of Commerce <b>Nationality:</b> Indian <b>DIN:</b> 09287704	Appointed on the Board as Non- Executive Independent Director w.e.f. August 31, 2021 for period of 5 years, not liable to retire by rotation.	NIL	NIL
6	<b>Mrs. Bindu Dilliprasad Acharya</b> <b>Father Name:</b> Dilliprasad Acharya <b>Date of Birth:</b> 27/10/1988 <b>Age:</b> 33 Years <b>Designation:</b> Non- Executive Independent Director <b>Address:</b> B-701, Aspen Adhiraj Garden, Khargarh Sector 5, Near Utsav Chowk, Raigarh - 410210, Maharashtra, India. <b>Experience:</b> 6 years <b>Occupation:</b> Business <b>Qualifications:</b> Bachelor of Arts	Appointed on the Board as Non- Executive Independent Director w.e.f. August 31, 2021 for period of 5 years, not liable to retire by rotation.	NIL	➤ Hicksopus Modular World Private Limited

S. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships/ Designated Partner
	Nationality: Indian DIN: 07953338			

### **BRIEF PROFILE OF OUR DIRECTORS**

#### **1. Mr. Lawrence A Sequeira, Chairman cum Managing Director, Age: 61 Years**

**Mr. Lawrence A Sequeira**, aged 61 years is Chairman and Managing Director and also the Promoter of our Company. He holds Matriculation degree. He was appointed on the Board on April 30, 2021 and further designated as the Chairman and Managing Director of the Company on August 31, 2021 for a period of 5 years not liable to retire by rotation. He is looking after core management of the company and entrepreneur, active and enthusiastic in business activities. He has been instrumental in taking major policy decision of the Company. He has experience of 40 years in our Industry. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

#### **2. Mr. Josly Eric Sequeira, Whole-time Director, Age: 30 Years**

**Mr. Josly Eric Sequeira**, aged 30 years, is the Whole-Time Director of our Company. He holds degree in Hospitality & Catering Technology. He was originally appointed on the Board on April 30, 2021 and further designated as the Whole-Time Director of the Company on August 31, 2021 for a period of 5 years liable to retire by rotation. He is having experience of 10 years in our industry. He is involved in the business right from conceptualization stage for Planning and guiding the Business Activities.

#### **3. Mr. Alwin Sequeira, Whole-time Director Age: 49 Years**

**Mr. Alwin Sequeira**, aged 49 years is Whole-Time Director of our Company. He was originally appointed on the Board on April 30, 2021 and further designated as the Whole-Time Director of the Company on August 31, 2021 for a period of 5 years liable to retire by rotation. He holds matriculation degree and having experience of 35 years.

#### **4. Mr. Jigar Dineshbhai Patel, Non-Executive Independent Director, Age: 28 Years**

**Mr. Jigar Dineshbhai Patel**, aged 28 years, is Non Executive Independent Director of our Company. He holds degree of Bachelor of Commerce from Mumbai University. He is associated with our company since August 31, 2021. He has experience of more than 2 years.

#### **5. Mr. Ravikumar Yadav, Non-Executive Independent Director, Age: 35 Years**

**Mr. Ravikumar Yadav**, aged 35 years, is Non Executive Independent Director of our Company. He holds degree of Bachelor of Commerce from Mumbai University. He is associated with our company since August 31, 2021. He has experience of more than 10 years.

#### **6. Mrs. Bindu Dilliprasad Acharya, Non-Executive Independent Director, Age: 33 Years**

**Mrs. Bindu Dilliprasad Acharya**, aged 33 years, is Non Executive Independent Director of our Company. He holds degree of Bachelor of Arts from Mumbai University. He is associated with our company since August 31, 2021. He has experience of more than 6 years.

### **Confirmations**

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the above mentioned Directors are on the RBI list of willful defaulters as on the date of filing of this Draft Prospectus.
- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.
- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Directors and promoters of our company.

Except as disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on Page 179 of this Draft Prospectus, there is no criminal cases filed or being undertaken with regard to alleged commission of any offence by any of our directors which also effected the business of our company and none of directors of our Company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.

Further, our Company, our Promoter, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

#### **Nature of any family relationship between any of our Directors:**

Apart from Mr. Lawrence A Sequeira and Mr. Alwin Sequeira who are related to each other as brothers, none of the Directors of the Company are related to each other as per Section 2 (77) of Companies Act, 2013.

#### **Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

#### **Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

#### **Details of Borrowing Powers of Directors**

Our Company at its Extra-Ordinary General Meeting held on May 28, 2021 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of moneys which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) shall not exceed in the aggregate Rs. 100 Crores (Rupees One Hundred Crores Only) irrespective of the fact that such amount of borrowings outstanding at any one time may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

#### **Compensation of our Managing Director and Whole-time Directors**

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director & Whole-time Director:

Particulars	Mr. Lawrence A Sequeira	Mr. Josly Eric Sequeira	Mr. Alwin Sequeira
Re-Appointment / Change in Designation	Shareholder's Resolution dated August 31, 2021	Shareholder's Resolution dated August 31, 2021	Shareholder's Resolution dated August 31, 2021
Designation	Chairman cum Managing Director	Whole-Time Director	Whole-Time Director

Term of Appointment	5 years Not Liable to Retire by Rotation	5 years Liable to Retire by Rotation	5 years Liable to Retire by Rotation
Remuneration Payable from FY 2021-22	Rs. 1,65,000/- per month	Rs.75,000/- per month	Rs. 40,000/- per month
Remuneration paid for Year 2020-21	Not Applicable	Not Applicable	Not Applicable

*Our Company do not have Subsidiary and associate Company.*

#### **Bonus or Profit Sharing Plan for our Directors**

We have no bonus or profit sharing plan for our Directors.

#### **Sitting Fee**

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than Managing Director & Whole- Time Directors) for attending a meeting of the Board or a Committee thereof shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Directors has resolved in their meeting dated October 16, 2021 for payment to all Non-Executive Independent Directors for attending each such meeting of the Board or Committee thereof.

#### **SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY**

Sr. No.	Name of Director	No. of Shares held	Holding in %
1.	Mr. Lawrence A Sequeira	1,30,000	8.67
2.	Mr. Josly Eric Sequeira	2,917	0.19
3.	Mr. Alwin Sequeira	2,917	0.19

*None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Prospectus*

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

#### **INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer- “Compensation of our Managing Director a Whole Time Directors” above, under chapter titled “Our Management” beginning on page 114 of this Draft Prospectus

Our Directors may also be regarded as interested their shareholding and dividend payable thereon, if any, Our Directors are also interested to the extent of Equity Shares, if any held by them in our Company or held by their relatives.

Further our Directors may also have interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of this draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section “Our Management” or the section titled Related Party Transactions under section titled “Financial Information of our Company” beginning on page 114 and 134 respectively of this Draft Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

### **Interest in the property of Our Company**

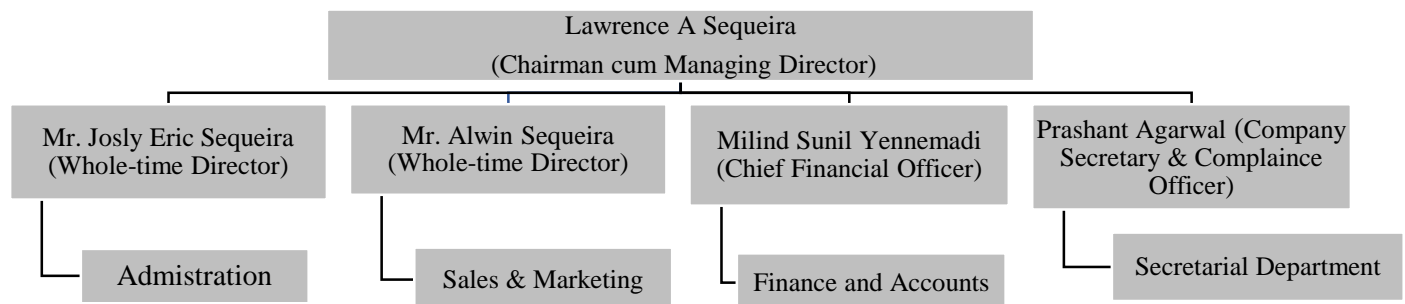
Except as disclosed above and in the chapters titled “Business Overview” and “Related Party Transactions under chapter titled “Financial Information of our Company” and “History and Corporate Structure” on page 86, 134 and 110 respectively of this Draft Prospectus, our Directors do not have any interest in any property acquired two years prior to the date of this Draft Prospectus.

### **CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS**

Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Mr. Lawrence A Sequeira	Change in Designation as Chairman cum Managing Director vide Shareholders Meeting dated August 31, 2021.	To ensure better Corporate Governance
2.	Mr. Josly Eric Sequeira	Change in Designation as Whole-Time Director vide Shareholders Meeting dated August 31, 2021.	To ensure better Corporate Governance
3.	Mr. Alwin Sequeira	Change in Designation as Whole-Time Director vide Shareholders Meeting dated August 31, 2021.	To ensure better Corporate Governance
4.	Mr. Jigar Dineshbhai Patel	Appointment as Non-Executive Independent Director vide Shareholders Meeting dated August 31, 2021.	To ensure better Corporate Governance
5.	Mr. Ravikumar Yadav	Appointment as Non-Executive Independent Director vide Shareholders Meeting dated August 31, 2021.	To ensure better Corporate Governance
6.	Mrs. Bindu Dilliprasad Acharya	Appointment as Non-Executive Independent Director vide Shareholders Meeting dated August 31, 2021.	To ensure better Corporate Governance

### **MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure: -



### **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, with respect to Corporate Governance, provisions of the SEBI LODR Regulations will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Board has been constituted in compliance with the Companies Act in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has six (6) Directors. In compliance with the requirements of the Companies Act we have one (1) Managing Director, two (2) Whole Time Director and three (3) Non-Executive Independent Directors. We have one (1) woman director on our Board.

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholder's Relationship Committee

Following are the details of the Committees: -

#### 1. Audit Committee

Our Company has constituted the Audit Committee in accordance with Section 177 and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014. Further, the Audit Committee was constituted by way of a Board resolution dated October 16, 2021. The audit committee presently consists of the following Directors of the Board:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Ravikumar Yadav	Chairman	Non-Executive Independent Director
Mr. Jigar Dineshbhai Patel	Member	Non-Executive Independent Director
Mr. Lawrence A. Sequeira	Member	Chairman cum Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

**C. Role and Powers:** The Role of Audit Committee together with its powers shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus

- / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the listed entity with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
  16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
  20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  21. To review the functioning of the whistle blower mechanism;
  22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
  23. Audit committee shall oversee the vigil mechanism.
  24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
  25. Carrying out any other function as is mentioned in the terms of reference of the audit committee under the Companies Act or SEBI LODR Regulations.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## 2. Stakeholders Relationship Committee

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 in the meeting of Board of Directors dated October 16, 2021 The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Ravikumar Yadav	Chairman	Non-Executive Independent Director
Mrs. Bindu Dilliprasad Acharya	Member	Non-Executive Independent Director



Mr. Alwin Sequeira	Member	Whole-Time Director
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The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  - Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
  - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
  - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
  - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
  - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
  - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
  - Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
  - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### 3. Nomination and Remuneration Committee

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 in the meeting of the Board of Directors held on October 16, 2021. The Nomination and Remuneration Committee presently consists of the following Directors of the Board:

Name of the Director	Status in Committee	Nature of Directorship
Mrs. Bindu Dilliprasad Acharya	Chairman	Non-Executive Independent Director
Mr. Ravikumar Yadav	Member	Non-Executive Independent Director
Mr. Jigar Dineshbhai Patel	Member	Non-Executive Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

- A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

### C. Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole Time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the EMERGE platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchange.

Mr. Prashant Agarwal (Company Secretary & Compliance Officer) will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

### **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI LODR Regulations will be applicable to our Company immediately upon the listing of Equity Shares of our Company on EMERGE Platform of NSE. We shall comply with the requirements on listing of Equity Shares on the Stock Exchange. The Board of Directors at their meeting held on October 16, 2021 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

### **Our Key Managerial Personnel**

Our Company is supported by a well-laid team having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

Name, Designation & Educational Qualification	Age (Year)	Date of joining as KMP	Compensation paid for the F.Y ended 2021 (in Rs Lakhs)	Over all experience (in years)	Previous employment
<b>Name:</b> Mr. Lawrence A Sequeira <b>Designation:</b> Chairman and Managing Director <b>Qualification:</b> Matriculation	61	Chairman and Managing Director w.e.f August 19, 2021	Not Applicable	40 Years	M/s S.B.S Food Court

<b>Name: Mr. Josly Eric Sequeira</b> <b>Designation:</b> Whole-Time Director <b>Qualification:</b> B.Sc in Hospitality Studies	30	Whole-Time Director w.e.f August 19, 2021	Not Applicable	10 Years	M/s S.B.S Food Court
<b>Name: Mr. Alwin Sequeira</b> <b>Designation:</b> Whole-Time Director <b>Qualification:</b> Matriculation	49	Whole-Time Director w.e.f August 19, 2021	Not Applicable	35 Years	M/s S.B.S Food Court
<b>Name: Milind Sunil Yennemadi</b> <b>Designation:</b> Chief Financial officer <b>Qualification:</b> Diploma in Hotel Management and Bachelor of Commerce	48	Appointed on October 16, 2021	Not Applicable	24 Years	Flag's Hotels Pvt. Ltd
<b>Name:</b> Prashant Agarwal <b>Designation:</b> Company Secretary and Compliance Officer <b>Qualification:</b> Company Secretary	32	Appointed on October 16, 2021	Not Applicable	--	--

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

### 1. Mr. Lawrence A Sequeira, Chairman cum Managing Director, Age: 61 Years

**Mr. Lawrence A Sequeira**, aged 61 years is Chairman and Managing Director and also the Promoter of our Company. He holds Matriculation degree. He was appointed on the Board on April 30, 2021 and further designated as the Chairman and Managing Director of the Company on August 31, 2021 for a period of 5 years not liable to retire by rotation. He is looking after core management of the company and entrepreneur, active and enthusiastic in business activities. He has been instrumental in taking major policy decision of the Company. He has experience of 40 years in our Industry. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

### 2. Mr. Josly Eric Sequeira, Whole-time Director, Age: 30 Years

**Mr. Josly Eric Sequeira**, aged 30 years, is the Whole-Time Director of our Company. He holds degree in Hospitality & Catering Technology. He was originally appointed on the Board on April 30, 2021 and further designated as the Whole-Time Director of the Company on August 31, 2021 for a period of 5 years liable to retire by rotation. He is having experience of 10 years in our industry. He is involved in the business right from conceptualization stage for Planning and guiding the Business Activities.

### 3. Mr. Alwin Sequeira, Whole-time Director Age: 49 Years

**Mr. Alwin Sequeira**, aged 49 years is Whole-Time Director of our Company. He was originally appointed on the Board on April 30, 2021 and further designated as the Whole-Time Director of the Company on August 31, 2021 for a period of 5 years liable to retire by rotation. He holds matriculation degree and has experience of 35 years.

### 4. Mr. Milind Sunil Yennemadi, Chief Financial Officer, Age: 48 Years

**Mr. Milind Sunil Yennemadi**, aged 48 years, is the Chief Financial Officer of our Company. He is having experience of 24 years in our industry. He is appointed as Chief Financial Officer with effect from October 16, 2021. He looks after Finance & Accounts division.

### 5. Mr. Prashant Agarwal, Company Secretary, Age: 32 Years

**Mr. Prashant Agarwal** is Company Secretary and Compliance Officer of our Company. He is qualified Company Secretary from institute of Company Secretaries of India. He looks after the Secretarial and legal matters of our Company. He joined our Company on October 16, 2021.

## RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Mr. Lawrence A Sequeira and Mr. Alwin Sequeira are related to each other as brothers.

### Confirmations:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Mr. Lawrence A Sequeira, Mr. Alwin Sequeira and Mr. Josly Eric Sequeira are part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended on May 31, 2021.
- Except for the terms set forth in the appointment Letters the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the Company.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus except as under:

Sr. No.	Name of Director/ KMP	No. of Shares held	Holding in %
1.	Mr. Lawrence A Sequeira	1,30,000	8.67
2.	Mr. Josly Eric Sequeira	2,917	0.19
3.	Mr. Alwin Sequeira	2,917	0.19

- Presently, we do not have ESOP/ESPS scheme for our employees.
- The turnover of KMPs is not high, compared to the Industry to which our Company belongs.

### Payment of Benefits to Officers of our Company (non-salary related)

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super annuations, ex-gratia/rewards.

### Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last three years except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons
1.	Mr. Lawrence A Sequeira	Chairman & Managing Director	August 31, 2021	Change in Designation
2.	Mr. Josly Eric Sequeira	Whole-Time Director	August 31, 2021	Change in Designation
3.	Mr. Alwin Sequeira	Whole-Time Director	August 31, 2021	Change in Designation
4.	Mr. Milind Sunil Yennemadi	Chief Financial Officer	October 16, 2021	Appointment
5.	Mr. Prashant Agarwal	Company Secretary & Compliance Officer	October 16, 2021	Appointment

### INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY

Apart from shares held in the Company, and to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our Key managerial personal are interested in our Company.

Except as provided in this Draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to Related Party Transaction under chapter titled under chapter titled “Financial Information of our Company” beginning on page 134 of this Draft Prospectus.

#### **LOANS AVAILED BY DIRECTORS / KEY MANAGERIAL PERSONNEL OF OUR COMPANY**

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

#### **ARRANGEMENT / UNDERSTANDING WITH MAJOR SHAREHOLDERS / CUSTOMERS / SUPPLIERS**

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

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR DIRECTOR AND KEY MANAGERIAL PERSONNEL**

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

#### **OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL**

Except as stated in this Draft Prospectus, there are no other benefits payable to our Key Managerial Personnel.

#### **EMPLOYEES**

The details about our employees appear under the Paragraph titled —Human Resource in Chapter Titled — “Business Overview” beginning on page 86 of this Draft Prospectus.


### **OUR PROMOTERS & PROMOTER GROUP**

Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D'Souza and Mr. Lawrence A Sequeira, are the Promoters of our Company.

As on the date of this Draft Prospectus, Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D'Souza and Mr. Lawrence A Sequeira are holding 14,88,333 Equity Shares which in aggregate, constitutes 99.22% of the pre-issued and paid-up Equity Share capital of our Company. Our Promoter and Promoter Group will continue to hold the majority of our post- Issue paid-up equity share capital of our Company.

#### **Details of our Promoters: -**

	<b>Mr. Joseph Sequeira, Promoter</b>	
	<b>Qualification</b>	Diploma in Electrical Engineering
	<b>Date of Birth</b>	01/11/1975
	<b>Age</b>	46 Years
	<b>Address</b>	A/301, Our Home Society, Domnic Colony, Road No.2, Near Axis Model Bank, Orlem Malad West, Mumbai-400064, Maharashtra, India.
	<b>Experience</b>	16 Years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AYSPS2197Q
	<b>Passport Number</b>	Z5519511
	<b>Name of Bank &amp; Bank Account Details</b>	Union Bank of India Account No. - 520101074198293
	<b>Driving License Number</b>	MH02 20100147561
	<b>Aadhar Card Number</b>	404122262430
	<b>No. of Equity Shares held in SBS [% of Shareholding (Pre Issue)]</b>	12,33,333 [82.22%]
	<b>DIN</b>	02842893 (Disqualified by RoC upto 31/10/2022)
	<b>Other Interests</b>	<ul style="list-style-type: none"> <li>➤ Flags Hotels Private Limited (Shareholder)</li> <li>➤ Flag's Marriage &amp; Party Hall (Proprietorship Firm)</li> </ul>
	<b>Mrs. Catherine Lawrentia D'Souza, Promoter</b>	
	<b>Qualification</b>	Higher Secondary
	<b>Date of Birth</b>	06/08/1969
	<b>Age</b>	52 Years
	<b>Address</b>	302, Asiad CHS Ltd., B. J. Patel Road, Near Liberty Garden, Above Flags Restaurant, Malad West, Mumbai – 400064, Maharashtra, India.
	<b>Experience</b>	15 Years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AHQPD9108B
	<b>Passport Number</b>	M2903736
	<b>Name of Bank &amp; Bank Account Details</b>	Union Bank of India Account No. - 520101074246743
	<b>Driving License Number</b>	Not Available
	<b>Aadhar Card Number</b>	901072433802
	<b>No. of Equity Shares held in SBS [% of Shareholding (Pre Issue)]</b>	1,25,000 [8.33%]

	<b>DIN</b>	02920682 (Disqualified by RoC upto 31/10/2022)
	<b>Other Interests</b>	➤ Flags Hotels Private Limited (Shareholder)
	<b>Mr. Lawrence A Sequeira, Chairman cum Managing Director</b>	
	<b>Qualification</b>	Matriculation
	<b>Date of Birth</b>	21/05/1960
	<b>Age</b>	61 Years
	<b>Address</b>	A/301, Our Home Society, Domnic Colony, Road No.2, Near Axis Model Bank, Orlem Malad West, Mumbai-400064, Maharashtra, India.
	<b>Experience</b>	40 Years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AWSPS9763J
	<b>Passport Number</b>	NO931266
	<b>Name of Bank &amp; Bank Account Details</b>	Union Bank of India Account No. - 520101074179612
	<b>Driving License Number</b>	Not Available
	<b>Aadhar Card Number</b>	898195013028
	<b>No. of Equity Shares held in SBS [% of Shareholding (Pre Issue)]</b>	1,30,000 [8.67%]
	<b>DIN</b>	02842914
	<b>Other Interests</b>	➤ Flags Hotels Private Limited (Director & Shareholder) ➤ Series Ekitchens LLP

## Declaration

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of the Promoter which are available have been submitted to NSE at the time of filing of Draft Prospectus with them.

*Our present Promoters are Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D'Souza and Mr. Lawrence A Sequeira are also original subscribers to the MoA of Our Company. For details of the shareholding acquired by the current promoters of our Company refer the capital buildup of our Promoter under chapter "Capital Structure" beginning on page 56 of this Draft Prospectus.*

## Undertaking/ Confirmations

None of our Promoter or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoter, Group Company and Company promoted by the promoter of our company.

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

There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoter, Group Company and Company promoted by the promoter during the past three years.

The litigation record, the nature of litigation, and status of litigation of our Company, Promoter, Group company and Company promoted by the Promoter are disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on page 179 of this Draft Prospectus.

None of our Promoter, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoter, the promoter group members nor our Group Company have been declared as a willful defaulter by the RBI or any other government authority nor there are any violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

### **Common Pursuits/ Conflict of Interest**

Except Our Group Company i.e. Flags Hotel Private Limited and our Promoter Group firm Flag’s Marriage & Party Hall and Series Ekitchens LLP which are in similar line of business, none of the promoter group companies/firms are engaged in similar line of business as our Company as on date of this Draft Prospectus. For further details of our Group Companies refer to Section titled “Information with respect to Group Companies” on page 185 of this Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

### **Interest of Promoters**

Our Promoters do not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by them and their relatives but used by our Company and reimbursement of expenses (if applicable), related party transactions (if any) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details on the interest of our promoter in our Company, please refer the chapters titled “Capital Structure”, “Business Overview”, “Financial Information of our Company” and “Our Management” beginning on Page Nos. 56, 86, 134 and 114 of this Draft Prospectus, respectively.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business. For further details on the related party transaction, to the extent of which our Company is involved, please refer “Related Party Transaction” in section titled “Financial Information of our Company” beginning on Page No.134 of this Draft Prospectus.

### **Interest in promotion of Our Company**

The Promoters are interested to the extent of their shareholding in the Company, and any dividend and distributions which may be made by the Company in future. The related party transactions are disclosed in “Financial information of our Company” and “Our Management” on pages 134 & 114 of this Draft Prospectus, respectively.

### **Interest in the property of Our Company**

Except as mentioned in this Draft Prospectus, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us till date of filing the Prospectus with RoC.

Further, other than as mentioned in the chapter titled “Business Overview” beginning on Page No. 86 of this Draft Prospectus, our Promoter do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.



### **Other Interest of Promoter**

Our Promoters Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D’Souza and Mr. Lawrence A Sequeira, are interested to the extent of their shareholding and shareholding of their relatives in our Company. Our Promoter Lawrence A Sequeira who is also the Chairman cum Managing Director of our Company may be deemed to be interested to the extent of his remuneration, as per the terms of his appointment and reimbursement of expenses payable to them. Our Promoters may also be deemed interested to the extent of any unsecured loan given/taken by them to/from our Company.

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus or proposes to enter into any such contract in which our Promoter are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

### **Business Interests**

Our Promoters is not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of filing of this Draft Prospectus or proposes to enter into any such contract in which our Promoters is directly or indirectly interested and no payments have been made to it in respect of the contracts, agreements or arrangements which are proposed to be made with it.

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

Except as stated in the section titled “Financial Information of our company” on page no. 134 of this Draft Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Draft Prospectus.

### **Experience of Promoters in the line of business**

Our Promoters Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D’Souza and Mr. Lawrence A Sequeira have experience of 16 years 15 years and 40 years respectively. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

### **Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 134 of this Draft Prospectus.

Except as stated in “Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 134 of this Draft Prospectus and as stated therein, our Promoter or any of the Promoter Group do not have any other interest in our business.

### **Payment or Benefit to Promoter of Our Company**

For details of payments or benefits paid to our Promoter, please refer to the chapter titled “Our Management” beginning on page 114 of this Draft Prospectus. Also refer Related Party Transactions under chapter titled “Financial Information of our Company” beginning on page 134 of this Draft Prospectus.

### **Companies / Firms from which the Promoter have disassociated themselves in the last (3) three years**

Our Promoter Mr. Joseph Sequeira and Mrs. Catherine D’Souza have resigned from the below mentioned companies:

<b>Name of the Promoter</b>	<b>Name of the Company</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>
Mr. Joseph Sequeira	Flags Hotels Private Limited	18-01-2010	29-03-2019

Mrs. Catherine Lawrentia D'Souza	Flags Hotels Private Limited	15-04-2010	29-03-2019
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### **Material Guarantee**

Except as stated in the section titled “Financial Information of our Company” beginning on Page No. 134 of this Draft Prospectus, our Promoter has not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Prospectus.

### **Other ventures of our Promoter**

Save and except as disclosed in this section titled “Our Promoter and Promoter Group” and “Information in respect of our Group Companies” beginning on page 127 & 185 respectively of this Draft Prospectus, there are no ventures promoted by our Promoter in which they have any business interests/ other interests as on date of this Draft Prospectus.

### **Litigation details pertaining to our Promoter**

For details on litigations and disputes pending against the Promoter and defaults made by the Promoter please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 179 of this Draft Prospectus.

### **Other Confirmation**

Our Company has neither made any payments in cash or otherwise to our Promoter or to firms or companies in which our Promoter is interested as member, director or promoter nor have our Promoter been offered any inducements to become director or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the “Related Party Transactions” in the section titled “Financial Information of our Company” beginning on Page No. 134 of this Draft Prospectus.

## **OUR PROMOTER GROUP**

In addition to the Promoter named above, the following natural persons are part of our Promoter Group:

### **1. Natural Persons who are part of the Promoter Group**

As per Regulation 2(1) (pp) of the SEBI ICDR Regulations, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoter), other than the Promoters, are as follows:

Relationship	Mr. Joseph Sequeira	Mrs. Catherine Lawrentia D'Souza	Mr. Lawrence A Sequeira
<b>Father</b>	Late Albert Sequeira	Late Albert Sequeira	Late Albert Sequeira
<b>Mother</b>	Benedicta Colaco	Benedicta Colaco	Benedicta Colaco
<b>Spouse</b>	Michaela Sequeira	Steven Vincent Souza	Anita L Sequeira
<b>Brother</b>	Henry A Sequeira, Lawrence Sequeira, Jokin Sikwera, Alwin Sequeira, Late. Richard Sequeira	Henry A Sequeira, Lawrence Sequeira, Joseph Sequeira, Jokin Sikwera, Alwin Sequeira, Late. Richard Sequeira	Henry A Sequeira, Joseph Sequeira, Jokin Sikwera, Alwin Sequeira, Late. Richard Sequeira
<b>Sisters</b>	Catherine D'Souza Gracy Boethling	Gracy Boethling	Catherine D'Souza Gracy Boethling
<b>Son</b>	-	Vansh Manish Shah	-
<b>Daughter</b>	Albertine Sequeira	Vanali DSouza	Steffi Sequeira, Twinkle Sequeira

<b>Spouse's Father</b>	Per Kjellstroam	Late Salvador Dsouza	-
<b>Spouse's Mother</b>	Nina Niegemann	Late Christine Dsouza	-
<b>Spouse's Brother</b>	Michael Niegemann	Herold Dsouza	-
<b>Spouse's Sister</b>	-	-	-

## 2. Corporate Entities or Firms forming part of the Promoter Group

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

- Flags Hotels Private Limited
- Series Ekitchens LLP
- Flag's Marriage & Party Hall

### **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares since incorporation. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## **SECTION IX - FINANCIAL INFORMATION OF OUR COMPANY**

### **RESTATED FINANCIAL STATEMENTS**

#### **INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION**

**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

**To,  
The Board of Directors,  
SBS Food Courts Limited**

Dear Sir,

We have examined the attached Restated Audited Financial Information of SBS Food Courts Limited (*hereinafter referred as "the Company" which was incorporated pursuant to conversion of "SBS Food Courts" (erstwhile Partnership Firm)*) comprising the Restated Audited Statement of Assets and Liabilities as at May 31, 2021, April 29, 2021, March 31, 2021, March 31, 2020 & March 31, 2019, the Restated Audited Statement of Profit & Loss, the Restated Audited Cash Flow Statement for stub period ended on May 31, 2021, April 29, 2021 and for the financial year ended March 31, 2021, March 31, 2020 & March 31, 2019, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on October 25, 2021 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
- b) The Securities and Exchange Board of India ICDR Regulations; and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI");
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note").

The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Maharashtra in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company for the stub period ended on tub period ended on December 31, 2020, December 03, 2020 and for the financial year ended March 31, 2020, March 31, 2019 & March 31, 2018 on the basis of preparation stated in ANNEXURE – IV to the Restated Financial Information. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 18, 2021 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and,
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

These Restated Financial Information have been compiled by the management from:

- a) Audited financial statements of company as at and for the period ended tub period ended on May 31, 2021 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.
- b) Proforma Financial Statement for the stub period ended on April 29, 2021 & for financial year ended March 31, 2021, March 31, 2020 & March 31, 2019 prepared in accordance with the Accounting Principles generally accepted in India by making adjustments for Indian GAAP as applicable to corporates to the audited financial statements for the stub period ended on April 29, 2021 & Financials year ended March 31, 2021, 2020 & 2019 which was prepared as per Indian GAAP as applicable to non-corporates and which have been approved by the board of directors.

For the purpose of our examination, we have relied on:

a) Auditors' Report issued by the Previous Auditor i.e. M/s R Pasad & Company & M/s Pradeep Shukla & Associates (the "Previous Auditors") dated August 30, 2021 August 23, 2021, December 26, 2020 & October 29, 2019 for the Stub Period ended on April 29, 2021 & Financial year ended 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2020 & 31<sup>st</sup> March 2019 respectively.

b) The audit were conducted by the Company's previous tax auditor, and accordingly reliance has been placed on the statement of assets and liabilities and statements of profit and loss, the Significant Accounting Policies, and other explanatory information and (collectively, the Audited Financial Statement") examined by them for the said years.

The modification in restated financials were carried out based on the modified reports, if any, issued by Previous tax auditor which is giving rise to modifications on the financial statements as at and for the years ended April 29, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. There is no qualification of previous tax auditor for the Financial Statement of 29<sup>th</sup> April 2021, 31<sup>st</sup> March 2021, 2020 and, 2019.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the period ended on May 31, 2021 April 29, 2021, March 31, 2021, 2020 & 2019:-

- a) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There were no qualifications in the Audit Reports issued by us jointly with M/s R Prasad & Company for the stub Period Ended on May 31, 2021 and the Previous Auditors for the Stub Period Ended April 29, 2021 & Financial Year Ended March 31, 2021, 2020 and 2019 which would require adjustments in this Restated Financial Statements of the Company;
- e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE – IV to this report;
- f) Adjustments in Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement;
- h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement
- i) The Company has not paid any dividend since its incorporation.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The “Restated Statement of Assets and Liabilities” as set out in ANNEXURE – I to this report, of the Company as at Stub Period Ended on May 31, 2021 & April 29, 2021 & Financial Year Ended March 31, 2021, 2020 and 2019 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.
- b) The “Restated Statement of Profit and Loss” as set out in ANNEXURE – II to this report, of the Company for Stub Period Ended on May 31, 2021 & April 29, 2021 & Financial Year Ended March 31, 2021, 2020 and 2019 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.
- c) The “Restated Statement of Cash Flow” as set out in ANNEXURE – III to this report, of the Company Stub Period Ended on May 31, 2021 & April 29, 2021 & Financial Year Ended March 31, 2021, 2020 and 2019 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.

Audit for the stub period ended on April 29, 2021 & financial year ended on March 31, 2021, 2020 was conducted by R Prasad & Company and for March 31, 2019 was conducted by M/s Pradeep Shukla & Associates & Accordingly reliance has been placed on the financial statement examined by them for the said years. Financial Reports included for said years are solely based on report submitted by them.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the Stub Period Ended on May 31, 2021 & April 29, 2021 & Financial Year Ended March 31, 2021, 2020 and 2019 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Statement of Share Capital, Reserves And Surplus	Annexure – I.1 & Annexure – I.2
Restated Statement of Long Term Borrowing	Annexure – I.3
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure – I.9
Restated Statement of Short Term Borrowing	Annexure – I.4
Restated Statement of Trade Payables	Annexure – I.5
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure – I.6 & Annexure – I.7
Restated Statement of Fixed Assets	Annexure – I.8
Restated Statement of Long Term Loans & Advances	Annexure – I.10
Restated Statement of Other Non Current Assets	Annexure – I.11
Restated Statement of Inventories	Annexure – I.12
Restated Statement of Trade Receivables	Annexure – I.13
Restated Statement of Cash & Cash Equivalents	Annexure – I.14
Restated Statement of Short Term Loans & Advances	Annexure – I.15
Restated Statement of Other Current Assets	Annexure – I.16
Restated Statement of Revenue from Operations	Annexure – II.1
Restated Statement of Other Income	Annexure – II.2
Restated Statement of Cost of Material Consumed	Annexure – II.3
Restated Statement of Employee Benefit Expenses	Annexure – II.4
Restated Statement of Finance Cost	Annexure – II.5
Restated Statement of Depreciation & Amortisation	Annexure – II.6
Restated Statement of Other Expenses	Annexure – II.7

Restated Statement of Deferred Tax Asset / Liabilities	Annexure - II.8
Material Adjustment to the Restated Financial	Annexure – V
Restated Statement of Tax shelter	Annexure – VI
Restated Statement of Capitalization	Annexure – VII
Restated Statement of Contingent Liabilities	Annexure – VIII
Restated Statement of Accounting Ratios	Annexure – IX
Restated statement of related party transaction	Annexure – X

In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – IV are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. A Y & Company, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – I to X of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

**For, M/s A Y & CO.**  
**Chartered Accountants**  
**Firm Registration Number: - 020829C**  
**Peer Review No. –013225**

**CA Arpit Gupta**  
**(Partner)**  
**Membership No.421544**  
**UDIN - 21421544AAAACQ5068**

**Date: 25.10.2021**  
**Place: Mumbai**



**ANNEXURE – I: RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As At 31st May 2021	As at April 29	As at 31st March		
				2021	2021	2020	2019
<b>A.</b>	<b>Equity and Liabilities</b>						
<b>1</b>	<b>Shareholders' Funds</b>						
	Share Capital	<b>I.1</b>	90.00	462.69	457.13	201.09	306.90
	Reserves & Surplus	<b>I.2</b>	121.24	-	-	-	-
	<b>Share application money pending allotment</b>		-		-	-	-
<b>2</b>	<b>Non-Current Liabilities</b>						
	Long-Term Borrowings	<b>I.3</b>	247.34	0.92	-	303.16	326.36
	Other Non-Current Liabilities		-		-	-	-
	Deferred Tax Liabilities	<b>I.9</b>	-		-	-	-
<b>3</b>	<b>Current Liabilities</b>						
	Short Term Borrowings	<b>I.4</b>	2.60	2.83	3.69	16.24	25.63
	Trade Payables	<b>I.5</b>					
	- Micro and Small Enterprises		-	-	-	-	0.00
	-Other Than Micro and Small Enterprises		159.21	162.62	166.23	130.05	29.29
	Other Current Liabilities	<b>I.6</b>	76.72	73.88	70.56	94.02	29.05
	Short Term Provisions	<b>I.7</b>	8.14	7.67	7.55	3.04	3.18
	<b>Total</b>		<b>705.23</b>	<b>710.61</b>	<b>705.16</b>	<b>747.61</b>	<b>720.41</b>
<b>B.</b>	<b>Assets</b>						
<b>1</b>	<b>Non-Current Assets</b>						
	<b>Property, Plant &amp; Equipments</b>						
	Tangible Assets	<b>I.8</b>	75.73	76.22	76.68	81.74	90.19
	Intangible Assets		-	-	-	-	-
	Capital Work In Progress		-		-	-	-
	Non-Current Investments		-		-	-	-
	Deferred Tax Assets	<b>I.9</b>	4.46	4.42	4.37	3.89	3.00
	Long Term Loans & Advances	<b>I.10</b>	607.24	607.24	602.24	648.83	618.59
	Other Non-Current Assets	<b>I.11</b>	2.76	0.00	0.00	-	-
<b>2</b>	<b>Current Assets</b>						
	Investments		-		-	-	-
	Inventories	<b>I.12</b>	4.80	4.69	5.85	7.65	1.96
	Trade Receivables	<b>I.13</b>	3.22	4.09	1.73	1.89	1.49
	Cash and Cash Equivalents	<b>I.14</b>	2.00	6.22	6.41	1.39	2.53
	Short-Term Loans and Advances	<b>I.15</b>	3.38	3.24	3.24	-	-
	Other Current Assets	<b>I.16</b>	1.65	4.48	4.63	2.23	2.66
	<b>Total</b>		<b>705.23</b>	<b>710.61</b>	<b>705.16</b>	<b>747.61</b>	<b>720.41</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, II, III.

**ANNEXURE – II: RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For the Period from 30th April 2021 to 31st May 2021	For the Period from 01 April 2021 to April 29 2021	For The Year Ended 31st March		
					2021	2020	2019
<b>A.</b>	<b>Revenue:</b>						
	Revenue from Operations	<b>II.1</b>	37.71	33.23	639.75	655.80	255.20
	Other income	<b>II.2</b>	-	-	-	0.05	-
	<b>Total revenue</b>		<b>37.71</b>	<b>33.23</b>	<b>639.75</b>	<b>655.85</b>	<b>255.20</b>
<b>B.</b>	<b>Expenses:</b>						
	Cost of Material Consumed	<b>II.3</b>	11.85	14.52	293.38	280.91	142.88
	Purchase of Stock in Trade		0.00	0.00	0.00	0.00	0.00
	Changes in Inventories of Finished Goods		-	-	-	-	-
	Employees Benefit Expenses	<b>II.4</b>	13.18	7.21	120.45	152.70	29.16
	Finance costs	<b>II.5</b>	0.07	0.03	9.87	25.80	36.31
	Depreciation and Amortization	<b>II.6</b>	0.50	0.46	6.31	8.45	11.79
	Other expenses	<b>II.7</b>	10.45	10.89	192.15	184.97	35.29
	<b>Total Expenses</b>		<b>36.04</b>	<b>33.11</b>	<b>622.16</b>	<b>652.83</b>	<b>255.42</b>
	<b>Profit/(Loss) before exceptional items and tax</b>		<b>1.66</b>	<b>0.12</b>	<b>17.59</b>	<b>3.03</b>	<b>-0.22</b>
	Exceptional Items		-	-	-	-	-
	<b>Profit before tax</b>		<b>1.66</b>	<b>0.12</b>	<b>17.59</b>	<b>3.03</b>	<b>-0.22</b>
	<b>Tax expense:</b>						
	Current tax		0.46	0.12	7.55	3.04	3.18
	Deferred Tax	<b>II.8</b>	(0.04)	(0.05)	(0.48)	(0.89)	(1.74)
	<b>Profit/(Loss) for the period/ year</b>		<b>1.24</b>	<b>0.04</b>	<b>10.52</b>	<b>0.88</b>	<b>-1.66</b>
	<b>Earning per equity share in Rs.:</b>						
	(1) Basic		0.17	0.01	1.50	0.13	(0.24)
	(2) Diluted		0.17	0.01	1.50	0.13	(0.24)

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities and cash flows appearing in Annexure IV, I, III.

**ANNEXURE – III: RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

Particulars	For the Period from 30th April 2021 to 31st May 2021	For the Period from 01 April 2021 to April 29 2021	For The Year Ended 31st March		
			2021	2020	2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Profit/ (Loss) before tax	1.66	0.12	17.59	3.03	-0.22
Adjustments for:					
Depreciation	0.50	0.46	6.31	8.45	11.79
Prior Period Items	-	-	-	(0.68)	
Interest Expense	0.03	0.02	9.42	23.76	33.09
<b>Operating profit before working capital changes</b>	<b>2.19</b>	<b>0.59</b>	<b>33.31</b>	<b>34.56</b>	<b>44.66</b>
Movements in working capital :	2.88	(1.33)	9.03	160.07	33.37
(Increase)/ Decrease in Inventories	(0.11)	1.17	1.80	(5.70)	1.09
(Increase)/Decrease in Trade Receivables	0.88	(2.36)	0.15	(0.39)	(1.49)
(Increase)/Decrease in Other Current Assets/ Non Current Assets	2.83	0.15	(2.40)	0.43	4.95
(Increase)/Decrease in Short Term Loans & Advances	(0.14)	-	(3.24)	-	-
Increase/(Decrease) in Trade Payables	(3.42)	(3.60)	36.17	100.76	23.05
Increase/(Decrease) in Other Current Liabilities	2.84	3.32	(23.45)	64.97	5.78
<b>Cash generated from operations</b>	<b>5.07</b>	<b>(0.74)</b>	<b>42.34</b>	<b>194.63</b>	<b>78.03</b>
Income tax paid during the year /period	-	-	3.04	3.18	0
<b>Net cash from operating activities (A)</b>	<b>5.07</b>	<b>(0.74)</b>	<b>39.30</b>	<b>191.45</b>	<b>78.03</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets	-	-	(1.26)	-	(31.26)
(Increase)/Decrease in Long Term Loans & Advances	(0.00)	(5.00)	46.59	(30.24)	(80.92)
(Increase)/Decrease in Other Non Current Assets	(2.76)				
<b>Net cash from investing activities (B)</b>	<b>(2.76)</b>	<b>(5.00)</b>	<b>45.33</b>	<b>(30.24)</b>	<b>(112.18)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Interest paid on borrowings	(0.03)	(0.02)	(9.42)	(23.76)	(33.09)
Proceeds/(Repayment) of Borrowings	246.19	0.06	(315.71)	(32.58)	(909.97)
Proceeds/Repayment of Share Capital/Partners Capital	(252.69)	5.52	245.52	(106.01)	976.09
<b>Net cash from financing activities (C)</b>	<b>(6.53)</b>	<b>5.55</b>	<b>(79.62)</b>	<b>(162.35)</b>	<b>33.03</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(4.21)</b>	<b>(0.18)</b>	<b>5.02</b>	<b>(1.14)</b>	<b>(1.12)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>6.22</b>	<b>6.41</b>	<b>1.39</b>	<b>2.53</b>	<b>3.65</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2.00</b>	<b>6.22</b>	<b>6.41</b>	<b>1.39</b>	<b>2.53</b>
<b>Cash and cash equivalents Comprises of:</b>					
<b>Cash in Hand</b>	1.56	4.30	3.48	0.15	0.74
<b>Cash at Bank</b>	0.44	1.92	2.93	1.24	1.79

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities & profits and losses appearing in Annexure IV, I, II.

## ANNEXURE – IV

### **CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH**

#### **A. COMPANY INFORMATION**

The Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 (“Partnership Act”) in the name and style of “M/s. S.B.S Food Court”, pursuant to a deed of partnership dated October 18, 2004. Subsequently, the constitution of partnership firm was changed on December 29, 2004 and January 20, 2021 by admission of partners. “M/s. S.B.S Food Court” was thereafter converted from a partnership firm to a public limited company under Part I chapter XXI of the Companies Act, 2013 in the name of “SBS Food Courts Limited and received a certificate of incorporation dated April 30, 2021 from the Registrar of Companies, Central Registration Centre.

The company is engaged in event and dining segment of hospitality industry. Company also undertake outdoor catering. Food service is a dominant segment of the hospitality industry that represents a significant proportion of the economy. The company specializes in semi fine dining restaurants with special emphasis on vegetarian food and providing variety of world cuisines under one roof. Company also provide banquet facilities for events that can cater up to 5000 people.

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **1. Accounting Convention**

The financial statement are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

##### **2. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

##### **3. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

##### **4. Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are

discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

## **5. Depreciation**

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be.

## **6. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## **7. Inventories**

Inventories consist of Raw Material are valued at Cost or Net Realizable Value, whichever is lower.

## **8. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

## **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

## **11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## 12. Foreign Currency Translation

- Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

## 13. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

## B. NOTES ON ACCOUNTS

- The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

### 2. Segment Reporting

The company is primarily engaged in manufacturing and Trading of Pharmaceutical, Nutraceutical, Herbal and Ayurvedic commodities which constitutes a single business segment. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

### 3. Post Employment Benefits:

The Company has not valued its obligations related to Gratuity.

### 4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on May 31, 2021 except as mentioned in Annexure-VIII, for any of the years covered by the statements.

### 5. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – X of the enclosed financial statements.

### 6. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under.

(Rs. In Lakhs)

Particulars	For the Period Ended from 30th April 2021 to 31st May 2021	For the Period from 01st April 2021 to 29th April 2021	As at 31st March		
			2021	2020	2019
WDV as per Companies Act, 2013 (A)	75.73	76.22	76.68	81.74	90.19
WDV as per Income tax Act, 1961 (B)	93.44	93.78	94.08	97.17	101.71
Difference in WDV (A-B)	(17.71)	(17.55)	(17.40)	(15.44)	(11.53)
Deferred Tax (Asset)/ Liability '(C)	(4.46)	(4.42)	(4.38)	(3.89)	(3.00)
Restated Closing Balance of Deferred Tax (Asset)/ Liability (C+D)	(4.46)	(4.42)	(4.37)	(3.89)	(3.00)

Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.04)	(0.05)	(0.48)	(0.89)	(1.74)
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## 7. MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

### 1 Material Regrouping:

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

### 2. Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/(loss) of the Company is as follows:

(Rs. In Lakhs)

Particulars	For the Period from 30th April 2021 to 31st May 2021	For the Period from 01 April 2021 to 29th April 2021	For The Year Ended March 31,		
			2021	2020	2019
<b>(A) Net Profits as per audited financial statements (A)</b>	5.65	0.09	11.88	6.48	6.43
<b>Add/(Less) : Adjustments on account of -</b>					
1) Difference on Account of provision for Expenses	0.00	0.00	0.20	(0.20)	-
2) Difference on Account of Prepaid Expenses	0.00	0.00	(0.03)	(0.01)	0.05
3) Difference on Account of Change in Deferred Tax	(4.41)	0.05	0.48	0.89	1.74
4) Difference on Account of Change in Depreciation Method	0.00	(0.15)	(1.96)	(3.91)	(6.70)
5) Prior Period Expenses Transferred to Capital Account	0.00	-	-	0.68	-
6) Difference on Account of Provision for Income Tax	0.00	0.06	(0.05)	(3.04)	(3.18)
<b>Total Adjustments (B)</b>	<b>(4.41)</b>	<b>(0.05)</b>	<b>(1.36)</b>	<b>(5.59)</b>	<b>(8.09)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>1.24</b>	<b>0.04</b>	<b>10.52</b>	<b>0.88</b>	<b>(1.66)</b>

### 3. Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the respective years:

#### i) Difference on Account of provision for Expenses:

Provision for Expenses entered in Restated financials for expenses related to Current Year & the same has been booked in current year only.

#### ii) Difference on Account of Prepaid Expenses:

Expenses related to Next Accounting Period are transferred to Prepaid Expense & the same has been booked in next accounting period as expenses.

#### iii) Difference on Account of Change in Deferred Tax:

Deferred Tax Assets recognized in 1st accounting year on Timing Difference due to Preliminary expenses has been reversed in succeeding accounting year which has not been done in audited financial Statements.

**iv) Difference on Account of Change in Method of Depreciation:**

Since Partnership Firm is converted into company w.e.f. April 29, 2021, So that all the depreciation charged for earlier period has been restated as per the Method Provided in Schedule II.

**v) Difference on Account of Change in Prior Period Items:**

Prior Period items related to Period ending before 01.04.2018 are adjusted from Capital Account

**vi) Difference on Account of Change in Provision for Income Tax:**

Since the Restated Profit is changed so that Provision for income Tax also got changed.

**Reconciliation of Equity**

Particulars	For the Period from 30th April 2021 to 31st May 2021	For the Period from 01 April 2021 to 29th April 2021	As at March 31		
			2021	2020	2019
(A) Total Equity as per audited financial statements (A)	198.10	475.82	470.21	215.85	318.56
Add/(Less) : Restatement Adjustments	13.14	(13.13)	(13.08)	(14.76)	(11.66)
<b>Total Equity as per Restated Financial Statements (A+B)</b>	<b>211.24</b>	<b>462.69</b>	<b>457.13</b>	<b>201.09</b>	<b>306.90</b>

**4. ADJUSTMENTS HAVING NO IMPACT ON NETWORTH AND PROFIT:**

**a. Material Regrouping:**

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Standalone Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).



**ANNEXURE - I.1: Restated Statement of Share Capital, Reserves & Surplus**  
**Restated Statement of Partners Capital Account**

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
<b>Shareholders Fund</b>					
<b>(A) Partner's Capital Account</b>					
Opening Balance	462.69	457.13	201.09	306.90	-663.96
Add : Fresh Capital Introduced during the year	0.00	20.00	331.60	39.12	1355.71
Less : Capital Withdrawn during the year	0.00	14.48	107.19	157.13	391.50
Add : Remuneration/Salary	0.00	0.00	21.11	12.00	11.89
Add: Interest on Partners Capital	0.00	0.00	0.00	0.00	0.00
Add : Share of Profit from the firm	0.00	0.04	10.52	0.88	-1.66
Less: Adjustment due to change in method of Depreciation	0.00	0.00	0.00	0.00	4.83
Add: Deferred Tax Assets upto 31.03.2018 Transferred to Capital	0.00	0.00	0.00	0.00	1.26
Less: Prior Period Items	0.00	0.00	0.00	0.68	0.00
Less: Capital Converted into Equity during the Period	90.00	0.00	0.00	0.00	0.00
Less: Transferred to Security Premium	120.00	0.00	0.00	0.00	0.00
Less : Capital Converted into Loan during the Period	252.69	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>462.69</b>	<b>457.13</b>	<b>201.09</b>	<b>306.90</b>

**Annexure I.1.2 Restated Statement of Share Capital Account**

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
<b>Share Capital</b>					
<b>Authorized Capital</b>					
15,00,000 Equity Shares of Rs. 10 Each (Previous Year NIL)	150.00	0.00	0.00	0.00	0.00
<b>Paid-Up Capital</b>					
9,00,000 Equity Shares of Rs. 10 Each (Previous Year NIL)	90.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>90.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>ANNEXURE - I.3 : Restated Statement of Share Capital, Reserves &amp; Surplus</b>					
<b>Reserves &amp; Surplus</b>					
Securities Premium Account	120.00	0.00	0.00	0.00	0.00
Surplus	1.24	0.00	0.00	0.00	0.00
<b>Total</b>	<b>211.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

### I.1.3 Details of Shareholding more than 5% of the aggregate shares in the company

Name of Shareholder	31.05.2021		29.04.2021		31.03.2021		31.03.2020		31.03.2019	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Mr. Joseph Sequeira	7,40,000.00	82.22	-	81.00	-	81.00	-	33.34	-	33.34
Mrs. Catherine Lawrentia D'Souza	75,000.00	8.33	-	9.00	-	9.00	-	33.33	-	33.33
Mr. Lawrence Sequeira	78,000.00	8.67	-	9.00	-	9.00	-	33.33	-	33.33
Mr. Josly Eric Sequeira	1,750.00	0.19	-	0.25	-	0.25	-	-	-	-
Mr. Alwin Sequeria	1,750.00	0.19	-	0.25	-	0.25	-	-	-	-
Mr. Vansh Manish Shah	1,750.00	0.19	-	0.25	-	0.25	-	-	-	-
Ms. Deshma Linet Sequeira	1,750.00	0.19	-	0.25	-	0.25	-	-	-	-
<b>Total</b>	<b>9,00,000.00</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

### A.1.3 Restated Standalone Statement of Reconciliation of Number of Equity Shares

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
<b>Shareholders Fund</b>					
<b>(A) Partner's Capital Account</b>					
Shares outstanding at the beginning of the Period	-	-	-	-	-
Shares issued during the Period	9,00,000.00	-	-	-	-
Share outstanding at the end of the Period	9,00,000.00	-	-	-	-

1) The Company has been formed from conversion of Partnership firm into company vide a certificate of incorporation dated 30.04.2021. The company has been converted with paid up equity share capital of Rs. 70,00,000 divided into 7,00,000 equity shares of Rs. 10 each. After the conversion company has made a preferential allotment by converting Unsecured Loan into Equity amount to Rs. 20,00,000 dividing into 2,00,000 Equity Share of Rs. 10 Each at a issue price of Rs. 70. The status of company prior to 30.04.2021 was that of partnership firm. Hence EPS, NAV per share of all years has been calculated by considering number of shares outstanding post conversion of partnership firm into company i.e. 7,00,000 Equity shares of Rs. 10 each.

2) The status of the company up to April 29, 2021 was partnership firm. For the purpose of Restated Financial Statements, the accounts of the partnership firm for the year ended on March 31 2019, 2020, 2021, and for the period ended on April 29, 2021 have been recast in accordance with the requirements of Schedule III of the Companies Act, 2013. Thus Share Capital disclosed for these years represents Partners' Capital in the Partnership Firm

3) The above statements should be read with the significant accounting policies and notes to restated summary statements of assets & liabilities and statement of profit & loss appearing in Annexure IV, I, II III.

**ANNEXURE – I.3: Restated Statement of Long Term Borrowings**

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
<b>Secured</b>					
From Banks & NBFC	-	-	-	1.09	17.33
<b>Unsecured Loans</b>					
From Banks & NBFC	-	-	-		
From Promoters & Promoter Group	236.56	0.92	-	35.12	21.54
From Others	10.79	-	-	266.95	287.49
<b>Total</b>	<b>247.34</b>	<b>0.92</b>	<b>-</b>	<b>303.16</b>	<b>326.36</b>
<b>Note I.3.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.					

**ANNEXURE – 1.3.2: Statement of Principal Terms of Secured Loans and Assets Charged As Security**

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)	
					31st May 2021	
NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>						NIL
<b>Note</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.						

**ANNEXURE – 1.3.3: Statement of Terms & Conditions of Unsecured Loans**

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
					31st May 2021
HDFC Bank Limited	Working Capital	8.25%	Repayable in 48 EMI	12 Months	2.60
Alwin Sequeira	Business	NIL	On Demand	NIL	0.94
Josly Eric Sequeira	Business	NIL	On Demand	NIL	6.21
Lawrence Sequeira	Business	NIL	On Demand	NIL	98.93
Catherine D'Souza	Business	NIL	On Demand	NIL	2.24
Deshma Sequeira	Business	NIL	On Demand	NIL	1.82
Joseph Sequeira	Business	NIL	On Demand	NIL	148.52
Vansh Shah	Business	NIL	On Demand	NIL	0.60
<b>Sub Total</b>					<b>261.86</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

#### ANNEXURE – I.4 : Restated Statement of Short Term Borrowings

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
<b>Secured</b>					
From Banks & NBFC	2.60	2.60	2.60	-	-
Current Maturities of Long Term Debt	0.00	0.23	1.09	16.24	25.63
<b>Total</b>	<b>2.60</b>	<b>2.83</b>	<b>3.69</b>	<b>16.24</b>	<b>25.63</b>

**Note I.4.1 :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

#### ANNEXURE – I.9 : Restated Statement of Deferred Tax Liability/(Assets)

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
<b>Deferred Tax Assets</b>					
Related to Fixed Assets	(4.46)	(4.42)	(4.37)	(3.89)	(3.00)
<b>Total (a)</b>	<b>(4.46)</b>	<b>(4.42)</b>	<b>(4.37)</b>	<b>(3.89)</b>	<b>(3.00)</b>
<b>Deferred Tax Liability</b>					
Related to Fixed Assets			-	-	-
<b>Total (b)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net deferred tax (asset)/liability{(b)-(a)}</b>	<b>4.46</b>	<b>4.42</b>	<b>4.37</b>	<b>3.89</b>	<b>3.00</b>

**Note I.9.1 :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

#### ANNEXURE – I.5 : Restated Statement of Trade Payables

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
Trade Payables due to					
- Micro and Small Enterprises	-		-	-	
<b>- Others</b>					
- Promotor/Promotor Group	30.09	30.94	29.21	35.12	21.54
- Others*	129.12	131.68	137.02	94.93	7.75
<b>Total</b>	<b>159.21</b>	<b>162.62</b>	<b>166.23</b>	<b>130.05</b>	<b>29.29</b>

**Note I.5.1 :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

\*Trade Payable due to Others are subject to Third Party Confirmation.

#### ANNEXURE – I.6 : Restated Statement of Other current Liabilities

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
Statutory Dues Payable	20.42	22.33	25.02	33.71	25.76

Provision for Expenses	25.64	17.29	20.06	3.51	3.30
Interest Payable	0.02	0.02	0.02	22.34	0.00
Refundable Deposits to Customers	30.63	34.24	25.46	34.45	0.00
<b>Grand Total</b>	<b>76.72</b>	<b>73.88</b>	<b>70.56</b>	<b>94.02</b>	<b>29.05</b>

**Note I.6.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

#### ANNEXURE – I.7 : Restated Statement of Short Term Provisions

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
Provision for Income Tax*	8.14	7.67	7.55	3.04	3.18
<b>Grand Total</b>	<b>8.14</b>	<b>7.67</b>	<b>7.55</b>	<b>3.04</b>	<b>3.18</b>

**Note I.7.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

\* Provision for Income Tax is calculated in Statement of Tax Shelter considering the Allowance & Disallowance of Income & Expenditure in the Income Tax Return filed by the company

#### ANNEXURE – I.8: Restated Statement of Fixed Assets

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
<b>Tangible Assets</b>					
<b>Land</b>					
Gross Block at the beginning of the year	58.88	58.88	58.88	58.88	58.88
Additions during the year	-	-	-	-	-
Deletions during the year	-	-	-	-	-
Total Gross Block at the End of the year	58.88	<b>58.88</b>	<b>58.88</b>	<b>58.88</b>	<b>58.88</b>
Less: Accumulated Depreciation	0.00	0.00	0.00	-	-
<b>Net Block</b>	<b>58.88</b>	<b>58.88</b>	<b>58.88</b>	<b>58.88</b>	<b>58.88</b>
<b>Furniture &amp; Fixtures</b>					
Gross Block at the beginning of the year	44.56	44.56	44.56	44.56	14.76
Additions during the year	-	-	-	-	29.80
Deletions during the year	-	-	-	-	-
Total Gross Block at the End of the year	44.56	<b>44.56</b>	<b>44.56</b>	<b>44.56</b>	<b>44.56</b>
Less: Accumulated Depreciation	29.18	28.82	28.49	22.88	15.31
<b>Net Block</b>	<b>15.37</b>	<b>15.73</b>	<b>16.06</b>	<b>21.67</b>	<b>29.25</b>
<b>Office Equipment</b>					
Gross Block at the beginning of the year	8.61	8.61	7.35	7.35	5.89
Additions during the year	-	-	1.26	-	1.47
Deletions during the year	-	-	-	-	-
Total Gross Block at the End of the year	8.61	<b>8.61</b>	<b>8.61</b>	<b>7.35</b>	<b>7.35</b>
Less: Accumulated Depreciation	7.27	7.13	7.01	6.36	5.55
<b>Net Block</b>	<b>1.34</b>	<b>1.48</b>	<b>1.60</b>	<b>0.99</b>	<b>1.81</b>

<b>Vehicles</b>					
Gross Block at the beginning of the year	0.84	0.84	0.84	0.84	0.84
Additions during the year	-	-	-		-
Deletions during the year	-				-
Total Gross Block at the End of the year	<b>0.84</b>	<b>0.84</b>	<b>0.84</b>	<b>0.84</b>	<b>0.84</b>
Less: Accumulated Depreciation	0.70	0.70	0.70	0.65	0.58
<b>Net Block</b>	<b>0.14</b>	<b>0.14</b>	<b>0.14</b>	<b>0.19</b>	<b>0.26</b>
<b>Total Tangible Assets</b>	<b>75.73</b>	<b>76.22</b>	<b>76.68</b>	<b>81.74</b>	<b>90.19</b>
<b>Total Net Block at the end of the year</b>	<b>75.73</b>	<b>76.22</b>	<b>76.68</b>	<b>81.74</b>	<b>90.19</b>
<b>Note I.8.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.					
* All the Tangible assets has been physically verified and certified by the management					

#### ANNEXURE – I.10: Restated Statement of Long Term Loans & Advances

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
<b>Loans and Advances to others</b>					
<i>Unsecured, considered good</i>					
Deposits	607.24	607.24	602.24	1.24	1.14
Advance to Related Parties	0.00	0.00	0.00	633.45	603.96
Advance to Others	0.00	0.00	0.00	14.13	13.50
<b>Total</b>	<b>607.24</b>	<b>607.24</b>	<b>602.24</b>	<b>648.83</b>	<b>618.59</b>
<b>Note I.10.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.					

#### ANNEXURE – I.11: Restated Statement of Non-Current Assets

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
Preliminary Expenses	2.76	-	-	-	-
<b>Total</b>	<b>2.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Note I.11.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.					

#### ANNEXURE – I.12: Restated Statement of Inventory

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
(At cost or net realizable value, whichever is lower)					
Finished Goods	4.80	4.69	5.85	7.65	1.96
<b>Total</b>	<b>4.80</b>	<b>4.69</b>	<b>5.85</b>	<b>7.65</b>	<b>1.96</b>
<b>Note I.12.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.					

\* Closing Stock of Stock in Trade is physically verified, reconciled with the stock records & Certified by the management at the end of the reporting period

#### ANNEXURE – I.13: Restated Statement of Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>					
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	-		-	-	-
Others	-		-	-	-
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>					
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	-		-	-	-
Others*	3.22	4.09	1.73	1.89	1.49
<b>Total</b>	<b>3.22</b>	<b>4.09</b>	<b>1.73</b>	<b>1.89</b>	<b>1.49</b>
<b>Note I.13.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.					
* Trade Receivables are subject to Third Party Confirmation.					

#### ANNEXURE – I.14: Restated Statement of Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
<b>Cash &amp; Cash Equivalents</b>					
Cash in hand (As Certified by the management)	1.56	4.30	3.48	0.15	0.74
<b>Balances with Banks:</b>					
Current Accounts	0.44	1.92	2.93	1.24	1.79
<b>Total</b>	<b>2.00</b>	<b>6.22</b>	<b>6.41</b>	<b>1.39</b>	<b>2.53</b>
<b>Note I.14.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.					

#### ANNEXURE – I.15: Restated Statement of Short Term Loans & Advances

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019
Advance to Others	3.38	3.24	3.24	0.00	0.00
<b>Total</b>	<b>3.38</b>	<b>3.24</b>	<b>3.24</b>	<b>-</b>	<b>-</b>
<b>Note I.15.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.					

#### ANNEXURE – I.16: Restated Statement of Other Current assets

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As At April 29	As at 31st March		
		2021	2021	2020	2019

Balance With Revenue Authorities	0.45	0.36	0.31	0.00	1.82
TDS Receivable from Financial Institutions	0.00	0.00	0.04	1.39	0.79
Prepaid Expenses	1.19	4.12	4.28	0.84	0.05
<b>Total</b>	<b>1.65</b>	<b>4.48</b>	<b>4.63</b>	<b>2.23</b>	<b>2.66</b>

**Note I.16.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

#### ANNEXURE – II.1: Restated Statement of Revenue from Operations

(Rs. in Lakhs)

Particulars	For the Period Ended from 30th April 2021 to 31st May 2021	For the Period from 01st April 2021 to 29th April 2021	As at 31st March		
			2021	2020	2019
<b>Turnover from the sale of Products</b>					
Domestic	37.71	33.23	639.75	655.80	255.20
Export	-	-	-	-	-
<b>Revenue from operations</b>	<b>37.71</b>	<b>33.23</b>	<b>639.75</b>	<b>655.80</b>	<b>255.20</b>

**Note II.1.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

#### ANNEXURE – II.2: Restated Statement of Other Income

(Rs. in Lakhs)

Particulars	For the Period Ended from 30th April 2021 to 31st May 2021	For the Period from 01st April 2021 to 29th April 2021	As at 31st March		
			2021	2020	2019
Misc. Incomes	-	-	-	0.05	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.05</b>	<b>-</b>

**Note II.2.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

#### ANNEXURE – II.3: RESTATED STATEMENT OF COST OF MATERIAL CONSUMED

(Rs. in Lakhs)

Particulars	For the Period Ended from 30th April 2021 to 31st May 2021	For the Period from 01st April 2021 to 29th April 2021	As at 31st March		
			2021	2020	2019
Opening Stock of Raw Material	4.69	5.85	7.65	1.96	3.05
Add: Purchases during the Period	11.95	13.35	291.58	286.61	141.79
Less: Closing Stock of Raw Material	4.80	4.69	5.85	7.65	1.96
<b>Total</b>	<b>11.85</b>	<b>14.52</b>	<b>293.38</b>	<b>280.91</b>	<b>142.88</b>

**Note II.3.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

#### ANNEXURE – II.4: Restated Statement of Employee Benefit Expense

(Rs. in Lakhs)

Particulars	For the Period Ended from 30th April 2021 to 31st May 2021	For the Period from 01st April 2021 to 29th April 2021	As at 31st March		
			2021	2020	2019



Salaries & Wages	10.32	7.14	98.56	138.35	14.72
Director/Partners Remuneration	2.80	0.00	21.11	12.00	11.89
ESI Expenses	0.01	0.01	0.14	0.51	0.70
Provident Fund Expenses	0.05	0.05	0.64	1.84	1.84
<b>Total</b>	<b>13.18</b>	<b>7.21</b>	<b>120.45</b>	<b>152.70</b>	<b>29.16</b>

**Note II.4.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

#### ANNEXURE – II.5: Restated Statement of Finance Cost

(Rs. in Lakhs)

Particulars	For the Period Ended from 30th April 2021 to 31st May 2021	For the Period from 01st April 2021 to 29th April 2021	As at 31st March		
			2021	2020	2019
Interest on Borrowings	0.03	0.02	9.42	23.76	33.09
Other Finance cost	0.03	0.02	0.45	2.04	3.21
<b>Total</b>	<b>0.07</b>	<b>0.03</b>	<b>9.87</b>	<b>25.80</b>	<b>36.31</b>

**Note II.5.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

#### ANNEXURE – II.6: Restated Statement of Depreciation & Amortization

(Rs. in Lakhs)

Particulars	For the Period Ended from 30th April 2021 to 31st May 2021	For the Period from 01st April 2021 to 29th April 2021	As at 31st March		
			2021	2020	2019
Depreciation	0.50	0.46	6.31	8.45	11.79
<b>Total</b>	<b>0.50</b>	<b>0.46</b>	<b>6.31</b>	<b>8.45</b>	<b>11.79</b>

**Note II.6.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

#### ANNEXURE – II.7: Restated Statement of Other Expenses

(Rs. in Lakhs)

Particulars	For the Period Ended from 30th April 2021 to 31st May 2021	For the Period from 01st April 2021 to 29th April 2021	As at 31st March		
			2021	2020	2019
Gas Charges	0.78	1.39	7.92	12.79	8.65
Water Charges	0.31	0.10	2.37	1.34	2.42
Audit Fees	0.00	0.00	0.80	-	0.00
Advertisement Expenses	0.29	0.11	10.39	0.86	0.71
Travelling & Conveyance Expenses	0.48	0.69	11.21	4.43	2.38
Bank Charges	0.03	0.03	0.86	0.54	0.42
Power & Fuel Expenses	0.67	2.00	26.70	26.44	13.21
Interest & Late Fees on Statutory Dues	0.02	0.12	3.12	0.59	0.48
Insurance Charges	0.00	0.00	0.02	0.07	0.22
Cleaning & Washing Expenses	0.06	0.17	7.45	6.21	1.39
Professional Charges	0.00	0.00	1.12	1.12	0.25
Repair & Maintenance	0.80	0.60	15.04	8.83	4.26
Rent Expenses	2.63	2.84	35.52	21.33	0.00

Commission Expenses	1.45	1.38	17.70	49.52	0.00
Property Tax	0.00	0.00	11.89	1.81	0.00
Security Charges	0.00	0.09	2.16	3.92	0.00
Telephone Expenses	0.05	0.03	0.73	0.52	0.00
Printing & Stationary	0.02	0.12	2.15	0.70	0.00
Indirect Tax Expenses	0.98	0.86	25.31	30.03	0.00
General Expenses	1.88	0.16	1.32	10.06	0.07
Other Misc. Expenses	0.00	0.19	8.36	3.87	0.83
<b>Total</b>	<b>10.45</b>	<b>10.89</b>	<b>192.15</b>	<b>184.97</b>	<b>35.29</b>
<b>Note II.7.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.					

#### ANNEXURE – II.8: Restated Statement of Deferred Tax (Assets)/Liabilities

(Rs. in Lakhs)

Particulars	For the Period Ended from 30th April 2021 to 31st May 2021	For the Period from 01st April 2021 to 29th April 2021	As at 31st March		
			2021	2020	2019
WDV as per Companies Act, 2013 (A)	75.73	76.22	76.68	81.74	90.19
WDV as per Income tax Act, 1961 (B)	93.44	93.78	94.08	97.17	101.71
Difference in WDV (A-B)	(17.71)	(17.55)	(17.40)	(15.44)	(11.53)
Deferred Tax (Asset)/ Liability '(C)	(4.46)	(4.42)	(4.38)	(3.89)	(3.00)
Resated Closing Balance of Deferred Tax (Asset)/ Liability (C+D)	(4.46)	(4.42)	(4.37)	(3.89)	(3.00)
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.04)	(0.05)	(0.48)	(0.89)	(1.74)
<b>Note II.8.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.					

#### ANNEXURE – V: Material Adjustment to the Restated Financial Statement

##### 1. Material Regrouping

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

##### 2. Material Adjustments:

The Summary of results of restatement made in the Audited Standalone Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

(Rs. in Lakhs)

Particulars	For the Period from 30th April 2021 to 31st May 2021	For the Period from 01 April 2021 to 29th April 2021	For The Year Ended March 31,		
			2021	2020	2019
(A) Net Profits as per audited financial statements (A)	5.65	0.09	11.88	6.48	6.43
<b>Add/(Less) : Adjustments on account of -</b>					
1) Difference on Account of provision for Expenses	0.00	0.00	0.20	(0.20)	-

2) Difference on Account of Prepaid Expenses	0.00	0.00	(0.03)	(0.01)	0.05
3) Difference on Account of Change in Deferred Tax	(4.41)	0.05	0.48	0.89	1.74
4) Difference on Account of Change in Depreciation Method	0.00	(0.15)	(1.96)	(3.91)	(6.70)
5) Prior Period Expenses Transferred to Capital Account	0.00	-	-	0.68	-
5) Difference on Account of Provision for Income Tax	0.00	0.06	(0.05)	(3.04)	(3.18)
<b>Total Adjustments (B)</b>	<b>(4.41)</b>	<b>(0.05)</b>	<b>(1.36)</b>	<b>(5.59)</b>	<b>(8.09)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>1.24</b>	<b>0.04</b>	<b>10.52</b>	<b>0.88</b>	<b>(1.66)</b>

### 3. Notes on Material Adjustments pertaining to prior years

#### (1) Difference on Account of provision for Expenses

Provision for Expenses entered in Restated financials for expenses related to Current Year & the same has been booked in current year only.

#### (2) Difference on Account of Prepaid Expenses

Expenses related to Next Accounting Period are transferred to Prepaid Expense & the same has been booked in next accounting period as expenses.

#### (3) Difference on Account of Change in Deferred Tax

Deferred Tax Assets recognized in 1st accounting year on Timing Difference due to Preliminary expenses has been reversed in succeeding accounting year which has not been done in audited financial Statements.

#### (4) Difference on Account of Change in Method of Depreciation

Since Partnership Firm is converted into company w.e.f. April 29, 2021, So that all the depreciation charged for earlier period has been restated as per the Method Provided in Schedule II.

#### (5) Difference on Account of Change in Prior Period Items

Prior Period items related to Period ending before 01.04.2018 are adjusted from Capital Account.

#### (6) Difference on Account of Change in Provision for Income Tax

Since the Restated Profit is changed so that Provision for income Tax also got changed

### Reconciliation of Equity

(Rs. In Lakhs)

Particulars	For the Period from 30th April 2021 to 31st May 2021	For the Period from 01 April 2021 to 29th April 2021	As at March 31		
			2021	2020	2019
(A) Total Equity as per audited financial statements (A)	198.10	475.82	470.21	215.85	318.56
Add/(Less) : Restatement Adjustments	13.14	(13.13)	(13.08)	(14.76)	(11.66)
<b>Total Equity as per Restated Financial Statements (A+B)</b>	<b>211.24</b>	<b>462.69</b>	<b>457.13</b>	<b>201.09</b>	<b>306.90</b>

**ANNEXURE - VI: Restated Statement of Tax Shelters**

(Rs. in Lakhs)

Sr. No	Particulars	As At May 31	As At April 29	As at 31st March		
		2021	2021	2021	2020	2019
<b>A</b>	<b>Restated Profit before tax</b>	1.66	0.12	17.59	3.03	(0.22)
	Short Term Capital Gain at special rate	-		-	-	-
	Normal Corporate Tax Rates (%)	25.17%	31.20%	31.20%	31.20%	30.90%
	Short Term Capital Gain at special rate					
	MAT Tax Rates (%)	15.60%	0.00%	0.00%	0.00%	0.00%
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>					
	Tax on normal profits	0.42	0.04	5.49	0.94	(0.07)
	Short Term Capital Gain at special rate					
	<b>Total</b>	<b>0.42</b>	<b>0.04</b>	<b>5.49</b>	<b>0.94</b>	<b>(0.07)</b>
	<b>Adjustments:</b>					
<b>C</b>	<b>Permanent Differences</b>					
	Deduction allowed under Income Tax Act	-	-	-	-	-
	Exempt Income	-	-	-	-	-
	Allowance of Expenses under the Income Tax Act	-	-	-	-	-
	Disallowance of Income under the Income Tax Act	-	-	-	-	-
	Disallowance of Expenses under the Income Tax Act	0.02	0.12	4.65	1.60	2.17
	<b>Total Permanent Differences</b>	<b>0.02</b>	<b>0.12</b>	<b>4.65</b>	<b>1.60</b>	<b>2.17</b>
<b>D</b>	<b>Timing Differences</b>					
	Difference between tax depreciation and book depreciation	0.16	0.15	1.96	3.91	6.70
	<b>Total Timing Differences</b>	<b>0.16</b>	<b>0.15</b>	<b>1.96</b>	<b>3.91</b>	<b>6.70</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>0.18</b>	<b>0.27</b>	<b>6.61</b>	<b>5.51</b>	<b>8.87</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	<b>0.04</b>	<b>0.09</b>	<b>2.06</b>	<b>1.72</b>	<b>2.74</b>
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>1.84</b>	<b>0.39</b>	<b>24.20</b>	<b>8.54</b>	<b>8.64</b>
	Taxable Income/ (Loss) as per MAT	1.66	-	-	-	-
<b>I</b>	<b>Income Tax as per normal provision</b>	<b>0.46</b>	<b>0.12</b>	<b>7.55</b>	<b>2.66</b>	<b>2.67</b>
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	<b>0.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Net Tax Expenses (Higher of I or J)</b>	<b>0.46</b>	<b>0.12</b>	<b>7.55</b>	<b>2.66</b>	<b>2.67</b>
<b>K</b>	<b>Relief u/s 90/91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Current Tax Expenses</b>	<b>0.46</b>	<b>0.12</b>	<b>7.55</b>	<b>2.66</b>	<b>2.67</b>
<b>L</b>	<b>Adjustment for Interest on income tax/ others</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.37</b>	<b>0.51</b>
	<b>Total Current Tax Expenses</b>	<b>0.46</b>	<b>0.12</b>	<b>7.55</b>	<b>3.04</b>	<b>3.18</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE - VII: Restated Statement of Capitalization**

(Rs. in Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	247.34	247.34
B	Short Term Debt*	2.60	2.60
C	<b>Total Debt</b>	<b>249.94</b>	<b>249.94</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital*	90.00	-
	Reserves and Surplus*	121.24	-
D	<b>Total Equity</b>	<b>211.24</b>	<b>-</b>
E	<b>Total Capitalization</b>	<b>461.18</b>	<b>249.94</b>
	Long Term Debt/ Equity Ratio (A/D)	1.17	-
	Total Debt/ Equity Ratio (C/D)	1.18	-
<b>Notes :</b>			
1) Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities			
* The amounts are consider as outstanding as on May 31, 2021			

**ANNEXURE - VIII: Restated Statement of Contingent Liabilities**

(Rs. in Lakhs)

Particulars	As at 31st May 2021	As at 29th April 2021	As at 31st March		
			2021	2020	2019
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	-	-	-	-	-
2. Capital Commitment	-	-	-	-	-
3. Income Tax Demand	-	-	-	-	-
4. TDS Demands	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**ANNEXURE - IX: Restated Statement of Accounting Ratios**

Particulars	As at 31st May 2021	As at 29th April 2021	As at 31st March		
			2021	2020	2019
Restated PAT as per P& L Account (Rs. in Lakhs)	1.24	0.04	10.52	0.88	-1.66
Actual No. of Equity Shares outstanding at the end of the year	9,00,000	7,00,000	7,00,000	7,00,000	7,00,000
Weighted Average Number of Equity Shares at the end of the Year (Note -2)	7,25,000	7,00,000	7,00,000	7,00,000	7,00,000
Net Worth	208.48	462.69	457.13	201.09	306.90
Current Assets	15.05	22.73	21.87	13.16	8.63
Current Liabilities	246.66	247.00	248.03	243.35	87.15
<b>Earnings Per Share</b>					
Eps (Post Bonus)	0.17	0.01	1.50	0.13	(0.24)
<b>EBIDTA</b>	2.23	0.61	33.77	37.28	47.87
<b>Return on Net Worth (%)</b>	0.60%	0.01%	2.30%	0.44%	-0.54%
<b>Net Asset Value Per Share (Rs)</b>	23.16	66.10	65.30	28.73	43.84
<b>Current Ratio</b>	0.06	0.09	0.09	0.05	0.10
Nominal Value per Equity share after Share split (Rs.)	10	10	10	10	10

\* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.

**Notes :**

1) The ratios have been calculated as below:

a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the six months/year.

b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/year.

c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100

d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the six months/year/ Total Number of Equity Shares outstanding during the six months/year.

2) Weighted Average Number of equity shares is the number of equity shares outstanding at the time of conversion of partnership firm i.e. April 30, 2021.

3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss) - Fictitious Assets

5) The figures disclosed above are based on the Restated Financial Statements of the Company.

**ANNEXURE -X: Restated Statement of Related Party Disclosures as Restated**

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

**A. List of Related Parties and Nature of Relationship:**

Relationship with Related party	Name of related parties
Key Managerial Personnel	Catherine Lawrentia D'Souza
	Joseph Sequeira
	Lawrence A Sequeira
	Alwin Sequeira
	Josly Eric Sequeira
	Deshma Richard Sequeira
	Vansh Manish Shah
Associate Concerns	Flag Hotels Pvt. Ltd
	Flag Marriage & Party Hall (Prop. Joseph Sequeira)
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.	

**B. Transactions carried out with related parties referred to in (A) above, in ordinary course of business:**

Nature of Transactions	Name of Related Parties	As at 31st May 2021	As at 29th April 2021	As at March 31		
				2021	2020	2019
1. Partners/Directors Remuneration	Catherine Lawrentia D'Souza	-	-	4.55	6.00	5.95
	Joseph Sequeira		-	-	-	-
	Lawrence A Sequeira	1.40	-	4.55	6.00	5.95
	Alwin Sequeira		-	2.00		
	Josly Eric Sequeira	1.40	-	6.00		

	Deshma Richard Sequeira		-	2.00		
	Vansh Manish Shah		-	2.00		
<b>Total</b>		<b>2.80</b>	<b>-</b>	<b>21.10</b>	<b>12.00</b>	<b>11.89</b>
2. Capital Contribution/Withdrawal	Catherine Lawrentia D'Souza	1.20	-	(11.27)	(12.99)	190.72
	Joseph Sequeira	17.30	6.89	154.61	(104.67)	582.05
	Lawrence A Sequeira	1.50	(0.17)	81.61	(0.37)	191.43
	Alwin Sequeira	-	-	(0.91)	-	-
	Josly Eric Sequeira	-	(0.11)	0.53	-	-
	Deshma Richard Sequeira	-	-	(0.03)	-	-
	Vansh Manish Shah		(1.10)	(0.15)	-	-
	<b>Total</b>	<b>20.00</b>	<b>5.52</b>	<b>224.39</b>	<b>(118.04)</b>	<b>964.21</b>
3. Loans & Advances/Deposits	<b>Flag Hotels Pvt. Ltd (Deposit)</b>					
	Opening Balance	600.00	600.00	-	-	-
	Add: Addition During the Year	-	-	600.00	-	-
	Less: Received During the Year	-	-	-	-	-
	<b>Closing Balance</b>	<b>600.00</b>	<b>600.00</b>	<b>600.00</b>	<b>-</b>	<b>-</b>
				-		
	<b>Flag Hotels Pvt. Ltd</b>					
	Opening Balance	(30.94)	(29.22)	631.87	603.96	510.29
	Add: Addition During the Year	7.00	6.74	218.28	437.29	297.21
	Less: Received During the Year	6.15	8.45	879.37	409.38	203.54
	<b>Closing Balance</b>	<b>(30.09)</b>	<b>(30.94)</b>	<b>(29.22)</b>	<b>631.87</b>	<b>603.96</b>
	<b>Alwin Sequeira</b>	-				
	Opening Balance	-	-	0.83	-	-
	Add: Addition During the Year	-	-	-	0.83	-
	Less: Received During the Year	-	-	0.83	-	-
	<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.83</b>	<b>-</b>
	<b>Josly Eric Sequeira</b>	-				
	Opening Balance	-	-	0.75	-	-
	Add: Addition During the Year	-	-	-	0.75	-
	Less: Received During the Year	-	-	0.75	-	-
	<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.75</b>	<b>-</b>
4. Rental Expenses	Flag Hotels Pvt. Ltd (Deposit)	2.63	2.63	31.50	-	-
5. Salary Expenses	Catherine Lawrentia D'Souza	1.40				

6. Unsecured Loans	<b>Alwin Sequeira</b>					
	Opening Balance	0.94	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	-	-	-	-	-
	Closing Balance	0.94	-	-	-	-
	<b>Josly Eric Sequeira</b>					
	Opening Balance	6.28	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	0.07	-	-	-	-
	Closing Balance	6.21	-	-	-	-
	<b>Lawrence A Sequeira</b>	-				
	Opening Balance	108.00	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	0.08	-	-	-	-
	Less : Loan Converted into Equity	9.00				
	Closing Balance	98.93	-	-	-	-
	<b>Catherine Lawrentia D'Souza</b>	-				
	Opening Balance	4.16	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	0.72	-	-	-	-
	Less : Loan Converted into Equity	1.20				
	Closing Balance	2.24	-	-	-	-
	<b>Deshma Richard Sequeira</b>	-				
	Opening Balance	1.82	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	-	-	-	-	-
	Closing Balance	1.82	-	-	-	-
	<b>Joseph Sequeira</b>	-				
	Opening Balance	258.00	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	5.68	-	-	-	-



	Less : Loan Converted into Equity	103.80				
	Closing Balance	148.52	-	-	-	-
	<b>Vansh Manish Shah</b>	-				
	Opening Balance	0.60	-	-	-	-
	Add: Loan Received during the year	-	-	-	-	-
	Less : Loan Repaid during the year	-	-	-	-	-
	Closing Balance	0.60	-	-	-	-

**C. Outstanding Balance as at the end of the year**

	<b>Name of Related Party</b>	<b>31.05.2021</b>	<b>29.04.2021</b>	<b>31.03.2021</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
1. Payables/ (Receivable)	Catherine Lawrentia D'Souza	2.24	-	-	-	-
	Joseph Sequeira	148.52	-	-	-	-
	Lawrence A Sequeira	98.93	-	-	-	-
	Flag Hotels Pvt. Ltd	(600.00)	(600.00)	(600.00)	-	-
	Flag Hotels Pvt. Ltd	30.09	30.02	29.21		
	Flag Marriage & Party Hall (Prop. Joseph Sequeira)	-	-	-	35.12	21.54
	Alwin Sequeira	0.94	-	-	0.83	
	Josly Eric Sequeira	6.21	-	-	0.75	
	Deshma Richard Sequeira	1.82				
	Vansh Manish Shah	0.60				
<b>Total</b>		<b>(310.65)</b>	<b>(569.98)</b>	<b>(570.79)</b>	<b>36.70</b>	<b>21.54</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, I, II III.

### OTHER FINANCIAL INFORMATION

Particulars	As at 31st May 2021	As at 29th April 2021	As at 31st March		
			2021	2020	2019
Restated PAT as per P& L Account (Rs. in Lakhs)	1.24	0.04	10.52	0.88	-1.66
Actual No. of Equity Shares outstanding at the end of the year	9,00,000	7,00,000	7,00,000	7,00,000	7,00,000
Weighted Average Number of Equity Shares at the end of the Year (Note -2)	7,25,000	7,00,000	7,00,000	7,00,000	7,00,000
Net Worth	208.48	462.69	457.13	201.09	306.90
Current Assets	15.05	22.73	21.87	13.16	8.63
Current Liabilities	246.66	247.00	248.03	243.35	87.15
<b>Earnings Per Share</b>					
Eps (Post Bonus)	0.17	0.01	1.50	0.13	(0.24)
<b>EBIDTA</b>	2.23	0.61	33.77	37.28	47.87
<b>Return on Net Worth (%)</b>	0.60%	0.01%	2.30%	0.44%	-0.54%
<b>Net Asset Value Per Share (Rs)</b>	23.16	66.10	65.30	28.73	43.84
<b>Current Ratio</b>	0.06	0.09	0.09	0.05	0.10
Nominal Value per Equity share after Share split (Rs.)	10	10	10	10	10
* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.					
<b>Notes :</b>					
1) The ratios have been calculated as below:					
a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the six months/year.					
b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/year.					
c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100					
d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the six months/year/ Total Number of Equity Shares outstanding during the six months/year.					
2) Weighted Average Number of equity shares is the number of equity shares outstanding at the time of conversion of partnership firm i.e. April 30, 2021.					
3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.					
4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss) - Fictitious Assets					
5) The figures disclosed above are based on the Restated Financial Statements of the Company.					

## **MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page 24 and "Forward Looking Statements" beginning on page 16, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the period ended on May 31, 2021, April 29, 2021 and for the years ended March 31, 2021, March 31, 2020 and 2019 including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of our Company" on Page No. 134 of the Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI ICDR Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements*

### **Overview**

Our Company was originally formed and registered as a partnership firm under the Partnership Act, 1932 in the name and style of "M/s. S.B.S Food Court", pursuant to a deed of partnership dated October 18, 2004. Subsequently, the constitution of partnership firm was changed on December 29, 2004 and January 20, 2021 by admission of partners. "M/s. S.B.S Food Court" was thereafter converted from a partnership firm to a public limited company under Part I chapter XXI of the Companies Act, 2013 in the name of "SBS Food Courts Limited and received a certificate of incorporation dated April 30, 2021 from the Registrar of Companies, Central Registration Centre.

Our company is engaged in event and dining segment of hospitality industry. We also undertake outdoor catering and provide banquet facilities for events. Our Company operates its restaurants and banquets under the brand name of "Flag's". Food service is a dominant segment of the hospitality industry that represents a significant proportion of the economy. Our company specializes in semi fine dining restaurants with special emphasis on vegetarian food and providing variety of world cuisines under one roof.

Our Company is diversified in following services: -

1. Fine Dining Services through its Restaurants
2. Banquet Services
3. Catering Services

Our company envisage to become trend setters in the Events and Dining segment of the Hospitality Industry. It aspires to be the preferred destination for Events and Dining by offering innovative products as per international standards and delivering exemplary service and thereby leaving an indelible mark of our brand in the minds of our valued patrons. We endeavour to create not just an Events and Dining Company but an Institution that will prepare our human resources as hoteliers and entrepreneurs of the future.

Our Company SBS Food Courts Limited (Erstwhile partnership firm S.B.S Food Court) started its first restaurant in the year 2005 i.e. Flag's Veg World Restaurant. Further in July, 2020 we have entered into lease agreement for banquet i.e. Flag's Avant Garde Banquet which was earlier operated by our Group Company Flag Hotels Private Limited and our Company is successfully running the said banquet from July, 2020. Also our Company is proposing the restaurant and banquet i.e. Flag's III located at Kandivali (West), Mumbai.

We endeavour to provide the finest Food and Beverages by incorporating the latest Industry Trends and supported by personalized yet elegant service to our valued patrons at all our Banqueting Venues and Restaurants thereby achieving and maintaining high levels of "Customer Delight". We carve out a niche for ourselves as pioneers in the Dining Segment of the Hospitality Industry by promoting World Cuisines under one roof, keeping in mind local palates without compromising on the authenticity of the cuisine.

Our company provide a professional, conducive and congenial work atmosphere with suitable growth opportunities to all our associates, which enable them to work together as a cohesive unit in order to provide a product of the highest standard and the desired levels of Customer Service while addressing their career advancement needs. We are fair and just in dealing with all our

stakeholders (Suppliers, Government Regulatory Bodies, Financers, Bankers, Industry Associations and Competitors), and sincerely fulfil our social responsibilities to the best of our abilities.

Our core values prioritise being customer-focused to provide excellent products and service and employee-focused by maintaining a superior quality work environment. Our Company places a strong emphasis on customer reviews and feedback for our Service. We believe the value we offer, the nature and quality of our food offerings and the ambience and service of our restaurants create a one-of-a-kind overall customer experience.

Our Company have its Registered Office situated at 2, Asiad Apartment, Adarsh Society Road, Near SNTD College, Malad West, Mumbai, Maharashtra- 400064, India.

Our Promoters include Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D'Souza and Mr. Lawrence A Sequeira who have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning. We have a strong management team with significant industry experience. Our Chairman and Managing Director, Mr. Lawrence A Sequeira has 40 years of experience in the hospitality industry. The vast experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters and senior management team and their experience of over a decade in the industry in which our Company operates.

## **IMPACT OF COVID-19 ON OUR BUSINESS**

The World Health Organization declared the outbreak of COVID-19 a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. Further, on March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown announced on March 24, 2020. As a result of COVID-19, we have had to temporarily close a our restaurants commencing from March 2020 and have experienced reduced operating hours and restaurant closures. During the initial stage of the COVID-19 crisis, footfalls and sales in our restaurants fell significantly due to the lockdown and other measures implemented by the GoI. Our footfalls and sales have since started to recover, although not yet to levels we saw prior to the COVID-19 crisis. Also our banquets and catering service are not fully operational due to restriction of government on public gathering.

As of the date of the filing of this Draft Prospectus, our restaurants have opened for dine-in guests, takeaway and delivery, however, the capacity may be limited, based on local regulations of Mumbai. The reduction in the level of business activity due to the COVID-19 crisis has also led to write offs of food inventory and a reduction in orders with our suppliers since our inventory includes food items which are perishable in nature. Similarly, our registered office also experienced closures and certain employees have been restricted from commuting to their places of work.

## **OUR STRENGTHS**

### ***Quality Food and Services: -***

We adhere to quality standards as per industry standards as we are capable of meeting the quality standards, which enables us to maintain our brand image in the market. Our ability to maintain and improve the quality of food we offer to customers enables us to generate stable revenue and minimize customer complaints. We now focus on guiding the overall experience of our customer which is intended to upgrade the experience of customer to one of much greater engagement and satisfaction. We are very particular and stringent about hygiene and fumigation our process. Our dedicated efforts towards the quality helped us gain a competitive advantage over others. We believe that our quality dishes have earned us a goodwill from our customers, which has resulted in repeat guests in our banquet segment comprising of corporates and families.

### ***Hygienic and prominent locations of our restaurants and banquets***

Our location is selected considering factors like location visibility, presence of competition, vehicle count, footfalls, etc. Our company is committed to showcase the best in Architectural & Interior Designing Concepts at all our venue through our Architect and Interior Designing Vendor. We also follow the protocols of COVID-19 keeping safe and hygienic for our customers.

### ***Leveraging the experience of our Promoter: -***

Our Promoters, Mr. Joseph Sequeira, Mrs. Catherine Lawrentia D'Souza and Mr. Lawrence A Sequeira is having vast experience in field of our business which has contributed significantly to the growth of our Company. Under their management, our business

has grown over the years and we have become a well-known local name in the industry. Our management team including our whole-time directors is familiar with our business and understands our customer's needs and requirements. They are committed to the development of our business and will continue to spearhead our Company's business operations and future plans so as to ensure the continuing success of our Company. We believe that our management team's experience and their understanding of this business will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition, reliance on independent agents, and fluctuations in prices.

***Scalable Business Model: -***

Our business model is order driven, and comprises of optimum utilization of our resources and thereby enabling us to achieve consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the development of new markets, by adopting aggressive marketing, adding more cuisines and also by maintaining the consistent quality of the dishes we offer.

***Attractive offering at competitive prices based on constant menu innovation and customer focus: -***

Indian cuisine is a natural part of the cuisines in the markets we operate and we believe it is relatively less prone to mechanization compared to QSR (Quick Service Restaurant) offerings. We continue to offer new menu options largely based on Indian cuisine and use seasonal guest preferences to introduce new dishes. We also serve world cuisines with representation from over 30 countries. We believe our approach of constant innovation assists in retaining our competitiveness, maintaining our repeat guest base and attracting new guests. We have several years of experience in catering to guest tastes and preferences in India, which has provided us with deep knowledge of their expectations. Based on our experience and regular guest feedback, we carefully design and adjust our menus to suit what we believe are the current tastes and preferences of our guests. We aim to inculcate a service mind-set in all our staff and train them to be attentive to guest needs without being overly formal.

***Understanding consumer preferences and development of new innovative dishes: -***

We offer a wide variety of dishes at our Restaurants as well as at outdoor catering. The markets where we operate may demand frequent change in the future including new dishes and dish variant introductions. We plan our menus and dishes based on guest consumption patterns as well as on anticipated trends and guest preferences in the forthcoming seasons. We believe that our ability to understand consumer preferences and our focus on initiatives to develop menus that are most valued by consumers is one of our key strengths. We believe in constantly addressing the customer needs for variety of our dishes. This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy. We have loyal guest base of patrons built over the years with commitment to quality and guest relationship management. We believe that our existing relationship with our clients represents a competitive advantage in increasing our business and gaining new clients.

**OUR STRATEGIES**

***Preserve our guest and team-focused culture and values:***

Our employees are critical to our guest-focused business. We internally assess our employees to periodically identify competency gaps and use development inputs to address these gaps. We have been successful in building a team of talented professionals and intend to continue placing emphasis on managing attrition as well as attracting and retaining employees. We will continue to implement staff training policies and assessment procedures in a transparent and consistent manner as in the past and to continue investing in and other resources that enhance our employees' skills and productivity. We will continue to help our employees develop understanding of our core values including our guest-oriented focus and service quality standards to enable them to continue to meet our guests' needs and preferences. We will continue to regularly review and update our employee compensation plans and bonuses based on their individual performance so that our employees are suitably incentivized. We also intend to continuously re-engineer our organization to remain lean in order to respond effectively to changes in our business environment and key markets.

***Increase same store sales growth, revenue per store and profitability:***

We are committed to continuing to enhance our comparable restaurants sales growth and profitability. Accordingly, we intend to implement a number of initiatives, many of which represent natural extensions and a continuing refinement of our strategy to date.

These key initiatives include:

- Increasing sales volume by introducing new and innovative dishes.
- Increasing average daily revenue per restaurant including by publicizing to our customers the different food cuisines available.
- Increasing guest traffic by upgrading the decor of existing restaurants to revitalize their ambience and create a welcoming atmosphere;
- Improving purchasing and logistics cost control through centralized purchases and strategic stocking of inventories in third-party central warehouses;
- Increasing cost savings and operational efficiencies by further consolidating food preparation processes into our central kitchens;
- Optimizing restaurant-level staffing to maintain our service quality and reduce our labour costs;
- Maximizing utilization of food ingredients by promoting multiple menu and serving arrangements;
- Increasing profitability by introducing new and innovative dishes that utilize food ingredients that are available in high quality and at low costs;
- Actively reducing wastage of food ingredients.

#### ***Optimal Utilization of Resources:***

Our Company constantly endeavors to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for providing services which enables us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use. We also intend to continue to build on our inclusive culture to ensure our employees remain engaged and committed to delivering exceptional service.

#### ***To build-up a professional organization:***

As an organization we believe in transparency and commitment in our work among our work force and with our suppliers, customers, financial institutions etc. We have employed experienced persons for taking care of our day to day activities. We also consult with outside agencies on a case to case basis on technical and financial aspects of our business. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

#### **SWOT ANALYSIS:-**

##### **STRENGTHS**

- ✓ Quality Assurance
- ✓ Cordial Relationship with Customers
- ✓ Ability to control cost
- ✓ Experience Management Team
- ✓ Variety of Banquet options to suit the varied requirement of our esteemed clientele.
- ✓ Loyal Guest base of patrons built over the years.

##### **WEAKNESSES**

- ✓ Working Capital Intensive Business
- ✓ Heavy dependence on suppliers for right quality of Products.
- ✓ Strong existing competitors
- ✓ Limited market share

##### **OPPORTUNITIES**

- ✓ Establishment of market in neighboring states
- ✓ Broaden our offerings to target new segments
- ✓ Attract new customers through special offers

## THREATS

- ✓ Increased Competition from Local & Big Players
- ✓ Change in Government Policies
- ✓ Fluctuations in Market Prices.
- ✓ Intense competitive pressure
- ✓ Key competitors gaining market share

## FINANCIAL SNAPSHOT OF OUR GROUP:

The financial information of our Company as per Restated Financial Statements for period May 31, 2021, April 29, 2021 and year ended 2021, 2020 and 2019 are set forth below:

(₹ in lakhs)

Particulars	As at May 31, 2021	As at April 29, 2021	As at March, 31		
			2021	2020	2019
Equity Capital	90.00	462.69	457.13	201.09	306.90
Reserves and Surplus	121.24	-	-	-	-
Net worth	208.48	462.69	457.13	201.09	306.90
Total Revenue (including other income)	37.71	33.23	639.75	655.85	255.20
Profit/ (Loss) after tax	1.24	0.04	10.52	0.88	(1.66)

The financial information of our Group Company i.e. Flags Hotels Private Limited as per Audited Financial Statements for year ended March 31, 2021, 2020 and 2019 are set forth below:

(₹ in lakhs)

Particulars	As at March, 31		
	2021	2020	2019
Equity Capital	1.00	1.00	1.00
Reserves and Surplus	(532.04)	(26.10)	(57.72)
Net worth	(531.04)	(25.10)	(56.72)
Total Revenue (including other income)	157.47	1005.50	1322.81
Profit/ (Loss) after tax	(505.94)	31.62	20.72

## OUR LOCATION

<b>Registered Office</b>	2, Asiad Apartment, Adarsh Society Road, Near SNTD College, Malad West, Mumbai - 400064, Maharashtra, India.
<b>Corporate Office &amp; Banquet</b>	Kavi Ram Basakhetre Road, Near Marks and Spencer, Lokhandwala Complex, Andheri (West), Mumbai – 400053, Maharashtra, India
<b>Restaurant</b>	Asiad CHS Ltd., B.J. Patel Road, Near Liberty Garden, Malad (West), Mumbai – 400064, Maharashtra, India

## OUR BUSINESS OPERATIONS:

### 1. Fine Dining Service:

We provide Fine dining service in our restaurant which includes delivering the highest level of customer service. We offer our Guests with elegant ambiance, upscale table settings, and a menu with variety of Indian and international dishes. we also provide servers to uphold fine dining etiquette. We offer our fine dining service through our below restaurant.

*Flag's Veg World Cuisine Restaurant:*

Our Company operate a restaurant i.e. “Flag’s Veg World Cuisine” which was establish in the year 2005 at Asiad CHS Ltd., B.J. Patel Road, Near Liberty Garden, Malad west, Mumbai- 400064, Maharashtra, India.

This restaurant serve World Cuisines including North Indian, Chinese, Mexican, Continental etc. with representation from over 30 countries and it is suitable for family and group dining. Our special emphasis on vegetarian food.

## **2. Banquet Services:**

We offer Banquet service which is an elaborate meal than a regular family dinner due to the scope of the event or size of the crowd present. These services are offered for various occasions such as the marriage, meeting, conference etc. and they are decided by the extend of the event, menu, and crowd. We offer our services through our below banquet.

### *Flag's Avant Garde Banquet:*

Our Company operate a banquet i.e. "Flag's Avant Garde" which situated at Kavi Ram Basakhetre Road, Near Marks and Spencer, Lokhandwala Complex, Andheri (West), Mumbai – 400053, Maharashtra, India. This venue is home to multiple banquet halls and lush green lawns, which are suitable for mid to large size gatherings without any hassle. There are variety of banquet options to suit the varied requirement of our esteemed clientele like it has;

- Richard's Banquet having seating Capacity of 400 and floating Capacity of 1000.
- Flag's Banquet having seating Capacity of 175 and Floating Capacity of 250
- Albert Hall having seating Capacity of 375 and floating Capacity of 800,
- Bennies Hall having seating Capacity of 375 and Floating Capacity of 500 each.

All above banquets are centralised AC, attached dress changing rooms and separate dining area. Flags Avant Garde has spacious car parking which can park upto 75 cars. This venue is suitable for various kinds of functions such as social events, cocktail parties or bachelorette parties, pre-wedding functions and transforms into a charming wedding venue with the decorator's touch.

## **3. Catering Service:**

Our Company provides business of providing food and drink, typically at social events and in a professional capacity either on-site or at a remote site. Options range from full-service caterers that cook, deliver, set up and serve at an event. We majorly provide catering services in our banquets. Our service includes Design, create and submit menus for special events both large and small, and organize all items needed for delivery and meal preparation including Transport food, tables and other items needed to serve food during an event to ensure that all catering jobs move smoothly and efficiently.

## **OUR PROPOSED RESTAURANT AND BANQUET:**

### *Flag's III Restaurant:*

The Flag's III Restaurant is located at Shop No. 3A & 3B, Ground Floor at Milap Cinema, S.V. Road, Kandivali (West), Mumbai - 400067, Maharashtra, India is the latest offering from SBS Food Courts Limited to the Vegetarian Food Lovers in and around the suburb of Kandivali. The restaurant like its predecessors offers multiple World cuisines under one roof thus catering to varied taste and preferences, especially of Family and Group Diners. The restaurant with a warm and cozy interior design has a seating capacity of 160. The Restaurant is schedule to begin from November 01, 2021

### *Flag's III Banquet:*

The Flag's III Banquet is located at Shop No. 5, Second Floor Floor at Milap Cinema, S.V. Road, Kandivali (West), Mumbai - 400067, Maharashtra, India measuring 1700 sq ft with two Banquet Halls with a modern design, each having a capacity of upto 250 persons are ideal for pre-wedding functions like engagement, sangeet, mehendi, haldi and other social events like birthdays and anniversaries. The Banquet is schedule to begin from November 01, 2021

The opening of Flag's III Restaurant and Banquet marks the beginning of the expansion plans of SBS Food Courts Limited, and as always we endeavor to cater to Vegetarian Foodies in suburban Mumbai.



## **CAPACITY AND CAPACITY UTILIZATION:**

Our business is order specific and not of the nature of a manufacturing concern with specified installed capacity. Hence, capacity and capacity utilization is not applicable to us.

## **PLANT & MACHINERY: -**

Since we are primarily in the business of restaurants, banquets and catering, we do not require any major Plant & Machinery.

## **REVENUE BREAK UP:**

Activity wise break-up of our revenue as per Restated Financial Information is as under:

Particulars	For the period ended May 31, 2021	For the period ended April 29, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Restaurant Services	29.83	27.10	490.62	655.80	255.20
Banquets Services	7.88	6.13	140.89	--	--
Catering Services	--	--	8.24	--	--
<b>Total Revenue</b>	<b>37.71</b>	<b>33.23</b>	<b>639.75</b>	<b>655.80</b>	<b>255.20</b>

## **COLLABORATIONS/TIE UPS/ JOINT VENTURES:**

As on date of the Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures.

## **EXPORT OBLIGATION:**

Our Company does not have any export obligation as on date.

## **UTILITIES AND INFRASTRUCTURE FACILITIES: -**

Our registered Office, Restaurant and Banquets are situated at Mumbai, Maharashtra which is well equipped with air conditioners, computer systems, internet connection, other communication equipment's, security and other facilities. The places of operations have adequate power supply position from the public supply utilities. Water sources are available from municipal water supply. We usually analysis the requirement of food preparation equipment, utensils, tables, chairs and full redecoration time to time basis to maintain the quality, ambience and hygiene of our restaurant and banquets.

## **HUMAN RESOURCES**

We have experienced Promoter and management whom we rely on to anticipate industry trends and capitalize on new business opportunities that may emerge. We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business. Our senior management team consists of experienced individuals with diverse skills in hospitality, catering management, compliance, and finance. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth.

As on May 31, 2021 we have 42 employees at the Registered Office, Restaurant and Banquets including our Directors. Our work processes and skilled resources together with strong management team have enabled us to successfully implement our growth plans.

## **MARKETING AND ADVERTISING: -**

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our restaurant for a long period. Our advertising targets consumers with a preference for fresh, casual dining at an affordable price. Our advertising strategy is centered on increasing our brand awareness, complemented with promotions and festivals from time to time.

### **Marketing Strategy:**

We intend to focus on following marketing strategies:

1. Focus on existing markets and increasing our customer base.
2. Relaxed ambience and prompt service.
3. Quality food at affordable prices.

### **COMPETITION: -**

The Indian restaurant industry is competitive and fragmented. The Indian restaurant industry is also segregated into organized and unorganized segments. Data relating to the unorganized segment is scarce and unreliable. The number, size and strength of our competitors vary by location. Competition is based on a number of factors, including price, type of cuisine, quality of food, quality of guest service, value, name recognition and restaurant location.

However, we focus primarily on the quality of food, value for money and quality of service. However, some of our existing and potential competitors may have more resources than we do, and may be able to devote greater resources than we can to the development, promotion and sale of their services and products and respond more quickly than we can to changes in guest preferences or market trends. In addition, we face competition from a variety of smaller restaurants that focus on some of our targeted customers and they may be able to respond more promptly to changes in guest needs and preferences in those markets.

### **SIGNIFICANT DEVELOPMENT SUBSEQUENT TO THE LAST FINANCIAL YEAR: -**

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Draft Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. We have appointed Mr. Lawrence A Sequeira as Chairman and Managing Director, Mr. Alwin Sequeira and Mr. Josly Eric Sequeira as Whole-Time Directors of the Company with effect from August 31, 2021.
2. We have appointed Non-Executive Independent Directors, Mr. Jigar Dineshbhai Patel, Mr. Ravi Kumar Laxman Yadav and Mrs. Bindu Dilliprasad Acharya in Extra Ordinary General Meeting held on August 31, 2021.
3. Our Company has passed a Board Resolution for Initial Public Offer in Board Meeting held on August 28, 2021 and Shareholder's Resolution in Extra-Ordinary Meeting held on August 31, 2021.
4. Our Company has adopted New Sets of Articles of Association inter-alia pursuant to Companies Act, 2013 in Extra Ordinary General Meeting held on October 21, 2021.
5. We have appointed Milind Sunil Yennemadi & Prashant Agarwal as Chief Financial Officer and Company Secretary respectively of the Company with effect from October 16, 2021.
6. Our Company has constituted an Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee vide Board Resolution dated October 16, 2021, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with SEBI LODR Regulations applicable upon listing of the Company's Equity shares on SME platform of NSE.

### **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS: -**

Our results of operations could potentially be affected by the following factors amongst others:

1. Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
2. Changes in laws and regulations relating to the sectors/areas in which we operate;
3. Increased competition in hospitality industry

4. Our ability to successfully implement our growth strategy and expansion plans;
5. Our ability to meet our further capital expenditure requirements;
6. Fluctuations in operating costs;
7. Our ability to attract and retain qualified personnel;
8. Conflict of Interest with affiliated companies, the promoter group and other related parties
9. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
10. Changes in government policies and regulatory actions that apply to or affect our business.
11. Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
12. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. The occurrence of natural disasters or calamities;
14. Our inability to maintain or enhance our brand recognition;
15. Inability to adequately protect our trademarks and
16. Changes in consumer demand.
17. Other factors beyond our control; and
18. Our ability to manage risks that arise from these factors.

#### **Our Significant Accounting Policies:**

Our significant accounting policies are described in the section entitled “Financial Information of our company” on page 134 of this Draft Prospectus.

#### **Change in accounting policies in previous 5 (five) years**

Except as mentioned in chapter “Financial Information of our company” on page no. 134, there has been no change in accounting policies since incorporation.

#### **Summary of the Results of Operations**

(in Lakhs)

Particulars	For the period ended				For the year ended					
	May 31, 2021	% of Total Income	April 29, 2021	% of Total Income	March 31, 2021	% of Total Income	March 31, 2020	% of Total Income	March 31, 2019	% of Total Income
<b>INCOME</b>										
Revenue from Operations	37.71	100.00	33.23	100.00	639.75	100.00	655.80	99.99	255.20	100.00
Other Income	-	0.00	0.00	0.00	0.00	0.00	0.05	0.01	0.00	0.00
<b>Total Income (A)</b>	<b>37.71</b>	100.00	<b>33.23</b>	100.00	<b>639.75</b>	100.00	<b>655.85</b>	100.00	<b>255.20</b>	100.00
<b>EXPENDITURE</b>										
Costs of Material Consumed	11.85	31.42	14.52	43.70	293.38	45.86	280.91	42.83	142.88	55.99
Employee Benefit Expense	13.18	34.97	7.21	21.69	120.45	18.83	152.70	23.28	29.16	11.42
Finance Costs	0.07	0.17	0.03	0.10	9.87	1.54	25.80	3.93	36.31	14.23
Depreciation and amortization expense	0.50	1.32	0.46	1.38	6.31	0.99	8.45	1.29	11.79	4.62
Other Expenses	10.45	27.71	10.89	32.78	192.15	30.04	184.97	28.20	35.29	13.83
<b>Total Expenses (B)</b>	<b>36.04</b>	95.59	<b>33.11</b>	99.65	<b>622.16</b>	97.25	<b>652.83</b>	99.54	<b>255.42</b>	100.09
<b>Profit/ (loss) before tax (A-B)</b>	1.66	4.41	0.12	0.35	17.59	2.75	3.03	0.46	(0.22)	-0.09
<b>Tax expense :</b>										

Particulars	For the period ended				For the year ended					
	May 31, 2021	% of Total Income	April 29, 2021	% of Total Income	March 31, 2021	% of Total Income	March 31, 2020	% of Total Income	March 31, 2019	% of Total Income
(i) Current tax	0.46	1.22	0.12	0.37	7.55	1.18	3.04	0.46	3.18	1.25
(ii) Deferred tax	(0.04)	-0.11	-0.05	-0.15	-0.48	-0.08	-0.89	-0.14	-1.74	-0.68
<b>Total Tax Expense</b>	<b>0.42</b>	<b>1.11</b>	<b>0.07</b>	<b>0.22</b>	<b>7.07</b>	<b>1.10</b>	<b>2.15</b>	<b>0.33</b>	<b>1.44</b>	<b>0.56</b>
<b>Profit/ (loss) for the year</b>	<b>1.24</b>	<b>3.29</b>	<b>0.04</b>	<b>0.12</b>	<b>10.52</b>	<b>1.64</b>	<b>0.88</b>	<b>0.13</b>	<b>(1.66)</b>	<b>(0.65)</b>

## Main Components of our Profit and Loss Account

### *Income*

Our total income comprises of Revenue of Operations and Other Income.

#### *Revenue from Operations*

Our revenue from operations as a percentage of total income was 100%, 99.99% and 100.00% in the fiscal year 2021, 2020 and 2019.

#### *Other Income*

Other income, as a percentage of total income was Nil, 0.01% and Nil for the fiscals 2021, 2020 and 2019 respectively.

### *Expenditure*

Our total expenditure primarily consists of cost of material consumed, employee benefit expenses, finance costs, depreciation & amortization and other expenses.

#### *Cost of Material Consumed*

Consists of changes in raw material consumed.

#### *Employee Benefit Expenses*

Expenses in relation to employees' remuneration and benefits include salaries, wages and bonus, directors remuneration, contribution to provident fund and other fund, staff welfare expenses etc.

#### *Finance costs*

Finance cost primarily consists of interest expenses and other borrowing costs.

#### *Depreciation & Amortization expenses*

Depreciation Expenses consist of depreciation on the Tangible assets of our Company which primarily includes Land, Office Equipments, Furniture and Fixtures and Vehicles.

#### *Other Expenses*

Other expenses primarily include advertisement expenses, travelling expenses, repairs and maintainance, audit expenses, consumables, rent rates and taxes, labour charges, security charges, electricity charges etc

## **Fiscal 2021 compared with Fiscal 2020**

### ***Revenue from Operation***

Revenue from operations had decreased by 2.45% from ₹ 655.80 lakhs in Fiscal 2020 to ₹ 639.75 lakhs in Fiscal 2021. The change was primarily due to decrease in sales.

### ***Other Income***

Other income had decreased by 100% from ₹ 0.05 lakhs in Fiscal 2020 to ₹ 0.00 lakhs in Fiscal 2021.

### ***Cost of Material Consumed***

Cost of Material Consumed had increased by 4.44% from ₹ 280.91 lakhs in Fiscal 2020 to ₹ 293.38 Lakhs in the Fiscal 2021. This change was primarily due to increase of Material Cost.

### ***Employee Benefit Expenses***

Employee benefit expenses had decreased by 21.12% from ₹ 152.70 lakhs in Fiscal 2020 to ₹ 120.45 lakhs in Fiscal 2021. This increase was primarily due to lower salary expenses.

### ***Finance Costs***

Finance Costs had decreased from ₹ 25.80 lakhs in Fiscal 2020 to ₹ 9.87 in Fiscal 2021. This was primarily due to repayment of borrowing resulting into lower interest paid during the financial year.

### ***Depreciation and Amortization Expenses***

Depreciation had decreased by 25.38% from ₹ 8.45 lakhs in Fiscal 2020 to ₹ 6.31 lakhs in Fiscal 2021.

### ***Other Expenses***

Other expenses had increased by 3.88% from ₹ 184.97 lakhs in Fiscal 2020 to ₹ 192.15 lakhs in Fiscal 2021. The increase was primarily due to increase in Travelling Expenses, Rent Expenses, Property Tax etc.

### ***Tax Expenses***

The Company's tax expenses had increased by 228.71% from ₹ 2.15 lakhs in the Fiscal 2020 to ₹ 7.07 lakhs in Fiscal 2021. This was primarily due to decreased expenses leading to higher profit before tax during the financial year.

### ***Profit after Tax***

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 10.52 lakhs in Fiscal 2021 as compared to a net profit of ₹ 0.88 lakhs in Fiscal 2020.

## **Fiscal 2020 compared with Fiscal 2019**

### ***Revenue from Operation***

Revenue from operations had increased by 156.97% from ₹ 255.20 lakhs in Fiscal 2019 to ₹ 655.80 lakhs in Fiscal 2020. The change was primarily due to increased sales.

### ***Other Income***

Other income had increased by 100% from ₹ NIL in Fiscal 2019 to ₹ 0.05 lakhs in Fiscal 2020. The change was primarily due to Misc. Incomes received during the financial year.

### ***Cost of Material Consumed***

Cost of Material Consumed had increased by 96.61% from ₹ 142.88 lakhs in Fiscal 2019 to ₹ 280.91 lakhs in the Fiscal 2020. This change was primarily due to increases Sales during the year.

### ***Employee Benefit Expenses***

Employee benefit expenses had increased by 423.74% from ₹ 29.16 lakhs in Fiscal 2019 to ₹ 152.70 lakhs in Fiscal 2020. This increase was primarily due to increased salary benefit expenses during the financial year.

### ***Finance Costs***

Finance Costs had decreased by 28.94% from ₹ 36.31 lakhs in Fiscal 2019 to ₹. 25.80 Lakhs in Fiscal 2020.

### ***Depreciation and Amortization Expenses***

Depreciation had decreased by 28.30% from ₹ 11.79 lakhs in Fiscal 2019 to ₹ 8.45 lakhs in Fiscal 2020.

### ***Other Expenses***

Other expenses had increased by 424.10% from ₹ 35.29 lakhs in Fiscal 2019 to ₹ 184.97 lakhs in Fiscal 2020. The increase was primarily due to higher expenses during the financial year.

### ***Tax Expenses***

The Company's tax expenses had increased by 49.73% from ₹ 1.44 lakhs in the Fiscal 2019 to ₹ 2.15 lakhs in Fiscal 2020. This was primarily due to increased revenue during the financial year.

### ***Profit after Tax***

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 0.88 lakhs in Fiscal 2020 as compared to a net loss of ₹ 1.66 lakhs in Fiscal 2019, primarily due to increased sales and profit before tax during the financial year.

### ***Cash Flows***

(₹ in lakhs)

Particulars	For the period ended May 31, 2021	For the period ended April 29, 2021	For the year ended March 31,		
			2021	2020	2019
Net Cash from Operating Activities	5.07	(0.74)	39.30	191.45	78.03
Net Cash from Investing Activities	(2.76)	(5.00)	45.33	(30.24)	(112.18)
Net Cash used in Financing Activities	(6.53)	5.55	(79.62)	(162.35)	33.03

### ***Cash Flows from Operating Activities***

Net cash from operating activities for fiscal 2021 was at ₹ 39.30 lakhs as compared to the Profit Before Tax at ₹ 17.59 lakhs while for fiscal 2020 Net cash from operating activities for fiscal 2020 was at ₹ 191.45 lakhs as compared to the Profit Before Tax at ₹ 3.03 Lakhs. This was primarily due to adjustments against adjustments against, changes in Working Capital.

Net cash from operating activities for fiscal 2020 was at ₹ 191.45 lakhs as compared to the Profit Before Tax at ₹ 3.03 lakhs while for fiscal 2019, net cash from operating activities was at ₹ 78.03 lakhs as compared to the Profit Before Tax of ₹ (0.22) lakhs. This was primarily due to adjustments against, changes in Working Capital.

Net cash from operating activities for fiscal 2019 was at ₹ 78.03 lakhs as compared to the Profit Before Tax at ₹ (0.22) lakhs.

### ***Cash Flows from Investment Activities***

In fiscal 2021, the net cash invested in Investing Activities was ₹ 45.33 lakhs. This was mainly on account of Receipt of Long Term Loans & Advances.

In fiscal 2020, the net cash invested in Investing Activities was ₹ (30.24) lakhs. This was mainly on account of payment of Long Term Loans & Advances.

In fiscal 2019, the net cash invested in Investing Activities was ₹ (112.18) lakhs. This was on account of purchase of fixed assets and payment of Long term Loans & Advances.

### ***Cash Flows from Financing Activities***

In fiscal 2021, the net cash from financing activities was ₹ (79.62) lakhs. This was on account of proceeds from issuance of Equity Shares and repayment of borrowings & Finance Cost.

In fiscal 2020, the net cash from financing activities was ₹ (162.35) lakhs. This was on account of partner's capital withdrawn during the year, repayment of borrowings & Finance Cost.

In fiscal 2019, the net cash from financing activities was ₹ 33.03 lakhs. This was on account of proceeds from issuance of Equity Shares and repayment of borrowings & Finance Cost.

## **QUALITATIVE DISCLOSURE ABOUT RISKS AND RISK MANAGEMENT**

### **1. Raw material cost risk**

Our operations are exposed to fluctuations in the price of basic raw materials. Any significant upward fluctuations may result in an increase in price at which we source these raw materials.

### **2. Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, there have been no events or transactions to our knowledge, which in our best judgment, would be considered unusual or infrequent.

### **3. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled "*Risk Factors*" and chapter titled "*Key Regulations and Policies*", beginning on Page Nos. 24 and 99 respectively of this Draft Prospectus, to our knowledge there are no significant economic or regulatory changes that we expect could have a material adverse effect on our results of operations.

### **4. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Our business has been impacted and we expect will continue to be impacted by the trends identified above in "*Management's Discussion & Analysis of Financial Condition & Results of Operations– Significant Factors Affecting Our Results of Operations and Financial Condition*" and the uncertainties described in Section titled "*Risk Factors*" beginning on Page Nos. 164 and 24, respectively of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors that we expect to have a material adverse impact on our revenues or income from operations.

### **5. Future relationship between Costs and Income**

Other than as described in this section and in "*Risk Factors*" and "*Business Overview*" beginning on Page Nos. 24 and 86, respectively of this Draft Prospectus to the best of our knowledge, there are no factors that are expected to have a material adverse effect on the relationship between our costs and income.

**6. Increases in net sales or revenue and Introduction of new products or services or increased sales prices**

Increases in revenues are by and large linked to increases in volume of our business.

**7. Publicly Announced New Products or Business Segments / Material increases in Revenue due to Increased Disbursements and Introduction of New Products**

We have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and introduction of new products, except as disclosed in this Draft Prospectus.

**8. Seasonality of business**

Our business is not seasonal in nature. For further details, please refer section and chapter titled “*Risk Factors*” and “*Business Overview*” beginning on Page Nos. 24 and 86 respectively, of this Draft Prospectus.

**9. Competitive Conditions**

We operate in a competitive environment. For further details, please refer section and chapter titled “*Risk Factors*” and “*Business Overview*” beginning on Page Nos. 24 and 86 respectively, of this Draft Prospectus.

**10. Details of material developments after the date of last balance sheet i.e. May 31, 2021**

Except as disclosed in this Draft Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing the Prospectus, 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. There is no subsequent development after the date of the Auditor’s Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.



### CAPITALISATION STATEMENT

(Rs. in Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	247.34	247.34
B	Short Term Debt*	2.60	2.60
C	<b>Total Debt</b>	<b>249.94</b>	<b>249.94</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital*	90.00	^
	Reserves and Surplus*	121.24	^
D	<b>Total Equity</b>	<b>211.24</b>	<b>^</b>
E	<b>Total Capitalization</b>	<b>461.18</b>	<b>249.94</b>
	Long Term Debt/ Equity Ratio (A/D)	1.17	^
	Total Debt/ Equity Ratio (C/D)	1.18	^
<b>Notes :</b>			
1) Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities			
* The amounts are consider as outstanding as on May 31, 2021			
^ The figures will be disclosed prior to filing of Prospectus in ROC.			

## **SECTION X - LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters or Group Companies. Our Board, in its meeting held on August 23, 2021, determined that all pending litigation involving our Company, holding, Subsidiary, Directors, Promoters and Group Companies, other than criminal proceedings and statutory or regulatory actions, disciplinary actions including penalty imposed by SEBI or stock exchanges, claims related to direct and indirect taxes, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs. 1,00,000/- ("Material Litigation").*

*As per the materiality policy adopted by the Board of our Company in its meeting held on October 16, 2021, creditors of our company with outstanding dues in excess of Rs. 1,00,000/- will be considered material. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI Regulations have been disclosed on our website at [www.sbsfcl.com](http://www.sbsfcl.com)*

*Our Company, Directors, Promoter and Group Companies are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.*

### **OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTERS AND SUBSIDIARIES**

#### **PART 1: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

###### **1) Litigation involving Criminal Laws**

NIL

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

NIL

###### **3) Disciplinary Actions by Authorities**

NIL

###### **4) Litigation involving Tax Liability**

Direct Tax – NIL

Indirect Tax – NIL

###### **5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

##### **B. CASES FILED BY OUR COMPANY**

###### **1) Litigation involving Criminal Laws**

NIL

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

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTERS OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS**

**1) Litigation involving Criminal Laws**

NIL

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

NIL

**3) Disciplinary Actions by Authorities**

Our promoters Mr. Joseph Sequeira having DIN 02842893 and Ms. Catherine Lawrentia Dsouza having DIN 02920682 stands disqualified u/s. 164(2)(a) of the Companies Act, 2013 to act as a director of any company vide order dated December 31, 2018, bearing no. ROC/164(2)(a)/2018/451 by Ministry of Corporate Affairs, Office of Registrar of Companies, Mumbai, for a period from 01.11.2016 till 31.10.2022, for non-filing of financial statements and annual returns of M/s. Niegemann Productions Private Limited, for a continuous period of 3 years i.e. 2015, 2016 and 2017.

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS**

**1) Litigation involving Criminal Laws**

NIL

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

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES**

Our company does not have any subsidiary as on the date of this Draft Prospectus.

**MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “Management’s Discussion & Analysis of Financial Conditions & Results of Operations” beginning on page 164 of this Draft Prospectus. There have been no material developments that have occurred after the Last Balance Sheet Date.

**OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on May 31, 2021: -

<b>Name</b>	<b>Balance as on 31.05.2021 (in Lakhs)</b>
Total Outstanding dues to Micro and Small & Medium Enterprises	--
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	159.21

## **GOVERNMENT AND OTHER APPROVALS**

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### **Approvals In Relation to Our Company's incorporation**

1. Originally incorporated as a partnership firm in the name and style of S.B.S FOOD COURT (Registration no. BA-89949) vide partnership deed executed on October 18, 2004 later re-constituted vide reconstitution deed executed on December 29, 2004 and on January 20, 2021.
2. Certificate of Incorporation dated April 30, 2021 from the Registrar of Companies, Central Registration Centre, under the Companies Act, 2013 as "SBS FOOD COURTS LIMITED" (Corporate Identification No.: U55101MH2021PLC359764), upon conversion of the partnership firm S.B.S FOOD COURT under Part-1 Chapter XXI of the Companies Act, 2013;

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on August 28, 2021 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated August 31, 2021 under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated November 29, 2021 and [●] authorized our Company to take necessary action for filing the Draft Prospectus and Prospectus respectively with NSE EMERGE.

#### ***Approvals from Stocks Exchange***

1. Our Company has received in- principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

1. The Company has entered into a tripartite agreement dated [●] with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated [●] with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

### Approvals/Licenses/Permissions in relation to our Business

#### *Tax Related Approvals*

S.No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	NA	ABGCS0072A	Income Tax Department	30.04.2021	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	2, Asiad Apartment Adarsh Society Road, Near SNTD College, Malad, West Mumbai, Mumbai City, Maharashtra- 400064, India	MUMS17500 H	Income Tax Department	30.04.2021	Valid till Cancelled
3.	GST Registration Certificate	2, Asiad Apartment Adarsh Society Road, Near SNTD College, Malad, West Mumbai, Mumbai City, Maharashtra- 400064, India	27ABGCS007 2A1ZS	Maharashtra Goods and Services Tax Act, 2017	05.06.2021	Valid till Cancelled
4.	Professions Tax Enrolment certificate (P.T.E.C.)	2, Asiad Apartment Adarsh Society Road, Near SNTD College, Malad, West Mumbai, Mumbai City, Maharashtra- 400064, India	99614079360P	Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	01.05.2021 Effective from 01.04.2021	Valid till Cancelled
5.	Professions Tax Registration certificate (P.T.R.C.)	2, Asiad Apartment Adarsh Society Road, Near SNTD College, Malad, West Mumbai, Mumbai City, Maharashtra- 400064, India	27491867268P	Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	30.04.2021	Valid till cancelled

#### *Other Approvals*

S.No.	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	FSSAI Certificate	<u>Principal Place of Business:</u> Basement, 1,2,3,4, Asiad Apartment, B.J. Patel Road, Adarsh Road, Malad West, Mumbai - 400064, Maharashtra, India	11521010000219	Government of Maharashtra, Food And Drug Administration, State Licensing Authority	02.08.2021	01.08.2026
2.	Registration under the Employees Provident fund (EPF)	2, Asiad Apartment Adarsh Society Road, Near SNTD College, Malad, West Mumbai, Mumbai City, Maharashtra- 400064, India	KDMAL2364898 000	Employees' Provident Fund Organization	30.04.2021	Valid till Cancelled
3.	Registration under State Insurance Act (ESIC)	2, Asiad Apartment Adarsh Society Road, Near SNTD College, Malad, West	35000561460001 101		30.04.2021	Valid till Cancelled

		Mumbai, Mumbai City, Maharashtra- 400064, India		Employees' State Insurance Corporation		
4.	Registration under Shops & Establishment Department	Basement, 1,2,3,4, Asiad Appartment,, B.J. Patel Road, Adarsh Road, Malad West, Mumbai - 400064, Maharashtra, India	820167735/PN Ward	Chief Inspector, Shop & Establishment, Mumbai	06.07.2021	Valid till Cancelled
5.	Registration under Shops & Establishment Department	Shop No. 3, Ground Floor at Milap Cinema, S.V. Road, Kandivali (West), Mumbai - 400067, Maharashtra, India	820184597 / RS Ward	Chief Inspector, Shop & Establishment, Mumbai	14.10.2021	Valid till Cancelled

#### License Applied for:

S.No.	Registration	Reference	Date of Application
1.	FSSAI Certificate for Proposed Restaurant at Shop No. 3, Ground Floor at Milap Cinema, S.V. Road, Kandivali (West), Mumbai - 400067, Maharashtra, India	Reference No: 20211014102891824 Transaction No.: 5316088188944641	14-10-2021

#### Intellectual Property

##### Domain Name

S.No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	Domain Name – www.sbsfcl.com Domain ID - 2649007113_DOMAIN_COM-VRSN	Registrar: GoDaddy.com, LLC Registrar IANA ID: 146	Registrant Name: SBS Food Courts Ltd	October 20, 2021	October 20, 2026

## **SECTION XI: INFORMATION WITH RESPECT TO GROUP COMPANIES**

The definition of ‘Group Companies’ as per the SEBI ICDR Regulations shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

Pursuant to a resolution of our Board dated October 16, 2021 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if Such company forms part of the Promoter Group of our Company in terms of Regulation of the SEBI ICDR Regulations and Companies who entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10% of total revenue of the company as per Restated Financial Statements.

Accordingly, Flags Hotels Private Limited is identified as our Group Company. The details of our Group Company are provided below:

### **1. FLAGS HOTELS PRIVATE LIMITED (FHPL)**

#### ***Corporate Information***

Flags Hotels Private Limited was incorporated on January 18, 2010 under the Companies Act, 1956 as a Private Limited Company, bearing Registration No. 199026. The CIN of FHPL is U55204MH2010PTC199026. The Registered Office is situated at 202, Asiad C H S Ltd, B J Road, Near Liberty Garde Malad (W) Mumbai-400064, Maharashtra, India.

#### ***Nature of business***

Flags Hotels Private Limited is engaged in business of catering and events under hospitality industry.

#### ***Financial Information***

The financial results derived from the Audited Financial Statements for Fiscals 2021, 2020 and 2019 are set forth below:

(₹ in lakhs)

Particulars	As at March, 31		
	2021	2020	2019
Equity Capital	1.00	1.00	1.00
Reserves and Surplus	(532.04)	(26.10)	(57.72)
Net worth	(531.04)	(25.10)	(56.72)
Total Revenue (including other income)	157.47	1005.50	1322.81
Profit/ (Loss) after tax	(505.94)	31.62	20.72
Earnings per share (face value of ₹ 10 each) (₹)	(5059.40)	316.20	207.21
Net asset value per share (₹)	(5310.04)	(251.00)	(567.20)

There are no significant notes by the auditors of FHPL in relation to the above-mentioned financial statements for the specified last three audited Fiscals.

#### **Material Litigations**

There has been no material litigation arises in the group company, which may directly or indirectly affect our Company. For further details, please refer the chapter “Outstanding Litigations and Material Developments” on page no. 179 of this Draft Prospectus.

#### **Group Companies which are sick industrial companies**

FHPL is not a sick company under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended.



### **Group Companies under winding up/insolvency proceedings**

FHPL is not under winding up/insolvency proceedings.

### **Defunct Group Company**

There are no other group companies during the five years immediately preceding the date of the Draft Prospectus which has not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of our Group Company.

Further one of our Group Company i.e. Niegemann Productions Private Limited was strike off from Registrar of Companies.

### **COMMON PURSUITS**

FHPL has been authorised by its Memorandum of Associations to undertake activities which is similar to that of our Company. Further, currently we do not have any non-compete agreement/arrangement with our Group Company. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

Related Party Transactions and Significance on the Financial Statements for details, please refer to the chapter titled “Financial Information of our Company - Annexure X of Restated Financial Statements” beginning on page no. 159 of this Draft Prospectus.

### **Business Interests or Other Interests**

Except as disclosed in “Financial Information of our Company” on page no. 134 of this Draft Prospectus, our Group Company has no business interest in our Company except similar line of business.

### **OTHER CONFIRMATIONS**

Our Group Company does not have any securities listed on any Stock Exchange. Further, our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Prospectus. Further, neither have any of the securities of our Company or our Group Company been refused listing by any stock exchange in India or abroad, nor has our Company or our Group Company failed to meet the listing requirements of any stock exchange in India or abroad.

## **SECTION XII - OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Fresh Issue**

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated August 28, 2021 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on August 31, 2021 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the NSE EMERGE for using its name in the Draft Prospectus/Prospectus pursuant to letter dated [●] NSE is the Designated Stock Exchange.

#### **Prohibition by the SEBI or other Governmental Authorities**

Our Company, our Group Company, our Promoters, our Promoter Group, our Directors, Person in control of Promoter or Company, have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

#### **Association with Securities Market**

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors

#### **Prohibition by RBI**

Neither our Company, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter “Outstanding Litigations And Material Development” beginning on page 179 of the Draft Prospectus.

#### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of the Draft Prospectus.

#### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue\*.

\* The Company will comply with requirement of Regulation 230 before filing of Prospectus with ROC.

Our Company is eligible for the Issue in accordance with the Regulation 229 (1) of Chapter IX of the SEBI ICDR Regulations, whereby, an issuer whose post issue paid-up capital is less than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE EMERGE).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE EMERGE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations.

We confirm that:

1. In accordance with regulation 260 of the SEBI ICDR Regulations, this Issue was 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 47 of this Draft Prospectus.
2. In accordance with Regulation 268(1) of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. In accordance with Regulation 246 of the SEBI ICDR Regulations, we will file Draft Prospectus with SEBI as well as stock exchange (s). However, Board shall not issue any observation pursuant to Regulation 246(2) of the SEBI ICDR Regulations.
4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the LM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 47 of this Draft Prospectus.
5. Our Company was incorporated on April 30, 2021, under the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre.
6. As on the date of this Draft Prospectus, our Company has a total paid-up capital of Rs. 150 Lakhs comprising 15,00,000 Equity Shares and the Post issue Capital will be Rs. [●] Lakhs comprising [●] Equity Shares which shall be below Rs. 25 crores.
7. Our Company including its erstwhile partnership has a combined track record of three years as on date of filing of this Draft Prospectus.
8. The company including its erstwhile partnership have combined positive cash accruals (earnings before depreciation and tax) in two of the year out of last three years
9. The Net-worth of our Company is Positive as per latest audited financial statement.
10. Our Company’s net worth, Net Tangible Assets and operating profit (earnings before interest, depreciation and tax), based on the Restated Financial Statements included in this Draft Prospectus as at period ended May 31, 2021, April 29, 2021, and March 31, 2021, 2020 and 2021 are set forth below:

(Amount in Lakhs)

Particulars	May 31, 2021	April 29, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Net Worth	208.48	462.69	457.13	201.09	306.90
Net tangible assets	208.48	462.69	457.13	201.09	306.90
Operating profit (earnings before interest, depreciation and tax)	2.23	0.61	33.77	37.28	47.87

\* Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.

\* Net Tangible Assets has been defined as Total tangible assets less outside liabilities.

\* Operating profit has defined as earnings before interest, depreciation and tax

11. The Company will mandatorily facilitate trading in demat securities and will enter into agreement with both the depositories.
12. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
13. There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
14. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
15. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.
16. Our Company has a website i.e. [www.sbsfcl.com](http://www.sbsfcl.com)

**Other Disclosures:**

- 1) We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company in the Draft Prospectus.
- 2) There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years. Except as mentioned in the Draft Prospectus. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- 3) We have Disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter "Outstanding Litigation & Material Developments" on page no. 179 of this Draft Prospectus.
- 4) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter "Outstanding Litigation & Material Developments" on page no. 179 of this Draft Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the SME platform. NSE is the Designated Stock Exchange.
- Our Company will enter into an agreement dated [●] with NSDL and agreement dated [●] with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters will be dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required as the object of Issue is working capital requirement, general corporate purpose and issue expenses, for details, please refer the chapter "Objects of the Issue" on page no. 67 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

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

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MERCHANT BANKER, SHRENI SHARES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, SHRENI SHARES PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●]**

**THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.**

*Note:*

*All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26, 32 and 33 of the Companies Act,*

#### **Disclaimer from our Company and the Lead Manager**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (Shreni Shares Private Limited) and our Company on October 26, 2021 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Disclaimer Clause under Rule 144a of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Disclaimer Clause of the Emerge Platform of NSE**

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] dated [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft

offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 any other reason whatsoever."

### **Filing**

This Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra, India.

Pursuant to Regulation 246(5) of SEBI ICDR Regulations, the copy of the Draft Prospectus/Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of Regulation 246(2) of the SEBI ICDR Regulations. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Prospectus and Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be filed with Registrar of Companies, Mumbai.

### **Listing**

The Equity Shares of our Company are proposed to be listed on NSE Emerge. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE Emerge.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the EMERGE Platform is not granted by NSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

## Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company\*; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue\* and Market Maker to the Issue\* to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\* The consent will be taken while registering the Prospectus with ROC.*

In accordance with the Companies Act and the SEBI ICDR Regulations, M/s A Y & Co., Chartered Accountants Peer Review Auditor of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Special Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Prospectus.

## Experts Opinion

Except for the reports in the section “Financial information of our Company” and “Statement of Possible Special Tax Benefits” on page 134 and 75 of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Draft Prospectus except as disclosed in this Draft Prospectus.

## Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled “Capital Structure” beginning on page 56 of this Draft Prospectus.

## Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

## Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

## Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies/ Subsidiaries and Associates of our Company

Except as stated in the chapter titled “Capital Structure” beginning on page 56 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

## Performance vis-a-vis objects - Last Issue of Group/Associate Companies



Except as disclosed in this Draft Prospectus, All of our Group/ Associate are unlisted and have not made a public issue of shares.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

### **Option to Subscribe**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

### **Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

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

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of Draft Prospectus. Since there are no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on October 16, 2021. For further details on the Stakeholders Relationship Committee, please refer to section titled “Our Management” beginning on page 114 of this Draft Prospectus.

**Our Company has appointed Mr. Prashant Agarwal, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

**Mr. Prashant Agarwal**  
**SBS FOOD COURTS LIMITED**  
 Kavi Ram Basakhetre Road, Near Marks and Spencer,

Lokhandwala Complex, Andheri (West),  
Mumbai – 400053, Maharashtra, India  
**Tel. No.:** 022-26372300  
**E-mail:** [cs@sbsfcl.com](mailto:cs@sbsfcl.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc. Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “**SCORES**”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Change in Auditors during the last three (3) years**

Except as disclosed in Chapter titled “General Information” beginning on Page 47 of this Draft Prospectus; there are no changes in the Auditors of the company during the last three years.

### **Capitalization of Reserves or Profits**

Except as disclosed under section titled “Capital Structure” beginning on page 56 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Prospectus.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “Statement of Possible Special Tax Benefits” beginning on page 75 of this Draft Prospectus.

### **Purchase of Property**

Other than as disclosed in chapter “Business Overview” on page 86 of the Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which:

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

### **Servicing Behavior**

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

#### Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “Our Management” beginning on page 114 and Restated Statement of Related Party Transactions” under chapter titled “Financial Information of our Company” beginning on page 134 of the Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

#### Statement on Price Information of Past Issues handled by Shreni Shares Private Limited:

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Cospower Engineering Limited	2.04	51.00	March 30, 2020	51.00	+32.06% [+12.92%]	+36.27% [+22.51%]	+9.80% [+31.46%]
2.	Ksolves India Limited	4.02	100.00	July 6, 2020	101.95	+6.50% [+3.08%]	+126.00% [+6.07%]	+377.00% [+30.24%]
3.	Bodhi Tree Multimedia Limited	3.70	95.00	October 21, 2020	95.00	-12.63% [+6.99%]	-17.11% [+19.63%]	-15.79% [+22.45%]
4.	Shine Fashions (India) Limited	1.60	40.00	November 2, 2020	40.50	+0.50% [+12.32%]	+23.75% [+16.42%]	+82.50% [+22.70%]
5.	Adjia Technologies Limited	2.00	74.00	March 15, 2021	74.50	-45.81% [-3.67%]	-36.82% [4.13%]	-61.49% [+15.70%]
6.	Getalong Enterprise Limited	5.18	69.00	October 08, 2021	72.10	+2.90% [+0.65%]	-	-

Source: Price Information [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

#### Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing	No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing	No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing	No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing

			Over 50%	Bet wee n 25- 50%	Less than 25 %	Over 50%	Bet wee n 25- 50%	Less than 25%	Over 50%	Betw een 25- 50%	Less than 25%	Over 50%	Bet wee n 25- 50 %	Less than 25%
2021-22	1	5.18	--	--	--	--	--	1	--	--	--	--	--	--
2020-21	4	11.32	--	1	1	--	--	2	--	--	1	2	--	--
2019-20	1	2.04	--	--	--	--	1	--	--	--	--	--	--	1

Note:

Opening price information as disclosed on the website of BSE/NSE.

1. Change in closing price over the issue/offer price as disclosed on BSE/NSE.
2. Change in closing price over the closing price as on the listing date for benchmark index viz. BSE SENSEX/NIFTY 50.
3. In case of reporting dates falling on a trading holiday or a day on which there was no trading in the scrip, values for the trading day immediately preceding the trading holiday/ no trading day for the scrip/benchmark, have been considered.
4. 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.

#### Track Record of past issues handled by Shreni Shares Private Limited

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.shreni.in](http://www.shreni.in).

Note:

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

## **SECTION XIII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI ICDR Regulations, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI LODR Regulations and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circulars”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice. Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available*

For details in relation to Issue expenses, see “Objects of the Issue” and “Other Regulatory and Statutory Disclosures” on pages 67 and 187, respectively.

#### **Authority for the Issue**

The present Public Issue of upto 6,50,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on August 28, 2021 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on August 31, 2021 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “Description of Equity Shares and Terms of the Articles of Association” on page 250 of the Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI LODR Regulations and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “Dividend Policy” on page 133 of the Draft Prospectus.

## Face Value and Issue Price

The Equity Shares having a Face Value of ₹10.00 each are being issued in terms of the Draft Prospectus at the price of [●] per equity Share (including premium of [●] per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis for Issue Price” on page 72 of the Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI LODR Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “Description of Equity Shares and Terms of the of Articles of Association of the Company” beginning on page 250 of the Draft Prospectus.

## Allotment only in Dematerialised Form

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated [●] between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated [●] between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

## Minimum Application Value, Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the EMERGE platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with Regulation 267 (2) of SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

### Minimum Number of Allottees

The minimum number of allottees in the Issue shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

### Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Withdrawal of the Issue

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

### Period of Operation of Subscription List of Public Issue

<b>Issue Opens On</b>	[●]
<b>Issue Closes On</b>	[●]

<b>Finalisation of Basis of Allotment with the Designated Stock Exchange</b>	[•]
<b>Initiation of Refunds /Unblocking of funds from ASBA account</b>	[•]
<b>Credit of Equity Shares to Demat accounts of allottees</b>	[•]
<b>Commencement of trading of the equity shares on the Stock Exchange</b>	[•]

- *In terms of Regulation 265 of SEBI ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.*
- *In terms of Regulation 266 (3) of SEBI ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the provisions of Regulation 266(1) of SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within Six (6) Working Days from the Issue Closing Date or such period as may be prescribed, with reasonable support and co-operation, as may be required in respect of its respective portion of the Offered Shares, the timetable may change due to various factors, such as extension of the Issue Period by our Board, as applicable, in consultation with the Lead Manager. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

In terms of the UPI Circulars, in relation to the Issue, the Lead Manager will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Issue Closing Date, the Bidder shall be compensated at a uniform rate of Rs. 100 per day for the entire duration of delay exceeding Four (4) Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change basis any revised SEBI circulars to this effect.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of Rs.100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate Rs.100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application.

Amount, the Applicant shall be compensated at a uniform rate of Rs. 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs.100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of Rs. 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any further notification from the SEBI after filing of this Draft Prospectus may result in changes in the timelines.



#### Submission of Application Forms:

Issue period (except the Issue Closing Date)	
Submission and Revision of Application Form	Only between 10.00 a.m. to 5.00 p.m. IST
Issue Closing Date	
Submission and Revision of Application Form	Only between 10.00 a.m. to 3.00 p.m. IST

On the Issue Closing Date, for uploading the Application Forms:

1. 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by LM to the Stock Exchanges.

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Lead Manager is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

**It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the Draft Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from the Stock Exchange may be taken as the final data for the purpose of Allotment.

#### Minimum Subscription

*In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000 (Rupees One Lakh) per application.*

As per section 39 of the Companies Act 2013, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription

amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE EMERGE.

#### **Application by Eligible NRIs, FIIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FIIs or VCF registered with SEBI. Such Eligible NRIs, FIIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Restrictions on transfer and transmission of shares**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "Capital Structure" beginning on page 56 of the Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading " Description of Equity Shares and Terms of the of Articles of Association of the Company " on page 250 of the Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

#### **Allotment of Securities in Dematerialised Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

## Migration to Main Board

The Company may be migrated to Main Board pursuant to Regulation 277 of the SEBI ICDR Regulations and in accordance to that SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010 has stipulated the requirements for migration from SME platform to main board. The migration eligibility of NSE is notified on [www.nseindia.com/companies-listing/raising-capital-public-issues-emerge-selecting-amigrationto-main-board](http://www.nseindia.com/companies-listing/raising-capital-public-issues-emerge-selecting-amigrationto-main-board) and as amended time to time.

## Market Making

The shares offered through this Issue are proposed to be listed on the EMERGE platform of NSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the EMERGE platform of NSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "General Information" on page 47 of the Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

## New Financial Instruments

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

## Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filing the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

## Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI ICDR Regulations as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than and equal to ₹10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the EMERGE Platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 198 and 208 of the Draft Prospectus.

The Issue comprise of a Public Issue of upto 6,50,000 Equity Shares of Face Value of ₹10/- each fully paid (The "Equity Shares") for cash at a price of Rs. [●] per Equity Shares (including a premium of Rs. [●] per equity share) aggregating to Rs. [●] lakhs ("the issue") by our Company of which [●] Equity Shares of ₹10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of [●] Equity Shares of ₹10/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute [●] and [●] respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	[●] Equity Shares	[●] Equity Shares
Percentage of Issue Size available for allocation	[●] of the Issue Size	[●] of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to "Issue Procedure" on page 208 of this Draft Prospectus.	Firm Allotment
Mode of Application	Retail Individual Investors may apply through UPI Payment Mechanism.  All other applicants and Retail Individual Investors (whose bank do not provide UPI Payment facility) shall apply through ASBA Only.	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of [●] Equity Shares at an Issue price of [●] each, such that the Application Value exceeds ₹ 2,00,000/-.  <b><u>For Retail Individuals Investors:</u></b> [●] Equity Shares at an Issue price of [●] Each	[●] Equity Shares
Maximum Application Size	<b><u>For Other than Retails Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.  <b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of [●] Equity Shares such that the	[●] Equity Shares

	Application Value does not exceed ₹2,00,000/-	
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI ICDR Regulations.
Application lot Size	[●] Equity Shares thereafter Equity Shares and in multiples of [●]	
Terms of Payment	In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant	

This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations as amended from time to time. For further details, please refer to “Issue Structure” on page 205 of the Draft Prospectus.

\*As per Regulation 253(2) of the SEBI ICDR Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - (i) Individual Applicant other than retail Individual Investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

#### **Withdrawal of the Issue**

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

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

#### **Issue Programme:**

<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE CLOSING DATE</b>	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.  
Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Application Form. The General Information Document is available on the websites of the Stock Exchanges and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Applications by RIIs through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by Retail Individual Investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIIs (“**UPI Phase III**”), as may be prescribed by SEBI. The issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, has introduced certain additional measures for streamlining the process of initial public issues and redressing investor grievances. This circular is effective for initial public issues opening on or after May 01, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Prospectus. If the Issue is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper, all editions of the Hindi national daily newspaper, regional edition of the regional daily newspaper on or prior to the Issue Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their website.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs.100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Further, our Company and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

### ***Phased implementation of Unified Payments Interface***

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 and circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the “UPI Circulars”) in relation to streamlining the process of public issues of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Investor had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs issueing facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Investors into the UPI payment mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement f or SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Applicants to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

### **FIXED PRICE PROCEDURE**

The Issue is being made in compliance with the provisions of Regulation 229(1) of Chapter IX of the SEBI ICDR Regulations and through the Fixed Price Process wherein 50% of the Net Issue to Public is being issued to the Retail Individual Investors and the balance shall be issued to Non-Retail Category i.e., QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.



Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Investors shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

## APPLICATION FORM

Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the website of the NSE, the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Applicants may participate in the Issue through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> Excluding electronic Application Form

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

For RIIs using UPI Mechanism, the Stock Exchange shall share the Application details (including UPI ID) with Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange applying platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Bankers to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to the Issue. The LM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.

Applicants shall only use the specified Application Form for making an Application in terms of the Draft Prospectus and Prospectus.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries’):

1. An SCSB, with whom the bank account to be blocked, is maintained
2. A syndicate member (or sub-syndicate member)
3. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4. A Depository Participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5. A Registrar to an Issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSBs:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB’s authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

## Who Can Apply?

In addition to the category of Applicants set forth in the *General Information Document*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Insurance funds set up and managed by army, navy or air force of the Union of India;

- s) Multilateral and bilateral development financial institution;
- t) Eligible QFIs;
- u) Insurance funds set up and managed by army, navy or air force of the Union of India;
- v) Insurance funds set up and managed by the Department of Posts, India;
- w) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- 1. Minors (except through their Guardians)
- 2. Partnership firms or their nominations
- 3. Foreign Nationals (except NRIs)
- 4. Overseas Corporate Bodies

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

**2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs)**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

**BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- 1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
- 2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio). For applications where the proportionate allotment works out to less than [●] Equity shares the allotment will be made as follows:

- Each successful applicant shall be allotted [●] Equity shares; and
- The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] Equity shares subject to a minimum allotment of [●] Equity shares.

If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

1. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
2. The balance net offer of shares to the public shall be made available for allotment to:
  - a) Individual applicants other than retails individual investors and
  - b) Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
3. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. The Promoter, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

#### **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

#### **APPLICATION BY HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

#### **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Participation by Eligible NRIs in the Issue shall be subject to the FEMA Non -Debt Instruments Rules. Only Applications accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For further details, see "Restrictions on Foreign Ownership of Indian Securities" on page 248.

#### **APPLICATION BY FPI AND FIIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid -up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non -Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of a II registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid -up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may 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 a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- (a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue is advised to use the Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "MIM Structure") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS (VCF) AND FOREIGN VENTURE CAPITAL INVESTORS (FVCI)**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI

AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our company in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

- a. Equity shares of a company: the lower of 10%<sup>(1)</sup> of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;
- b. The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

*<sup>(1)</sup>The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of Rs.2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of Rs.500,000 million or more but less than Rs.2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars Issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).



## **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

## **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks 'interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

## **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

## **APPLICATIONS BY SCSBS**

SCSBs participating in the Issue is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public Issues and clear demarcated funds should be available in such account for such applications.

**The information set out above is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Draft Prospectus and the Prospectus.**

## **APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of Rs250 million (subject to applicable laws) and pension funds with a minimum corpus of Rs250 million (subject to

applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

#### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)**

Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

#### **METHOD AND PROCESS OF APPLICATIONS**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and

consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## **TERMS OF PAYMENT**

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

## **PAYMENT MECHANISM**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries.

5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- 1) Our company has entered into an Underwriting Agreement dated [●].
- 2) A copy of Prospectus will be filled with the ROC in terms of Section 26 of Companies Act, 2013.

#### **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

#### **ISSUANCE OF ALLOTMENT ADVICE IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
3. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **DESIGNATED DATE**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

#### **GENERAL INSTRUCTIONS**

##### **Do's:**

1. Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their bids through the ASBA process only;
2. Ensure that you have apply within the Price Band
3. Read all the instructions carefully and complete the Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Bids) within the prescribed time. Retail Individual Applicants using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;
6. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number and such ASBA account belongs to you and no one else if you are not an RIB bidding using the UPI Mechanism in the Application Form (with maximum length of 45 characters) and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Application Form;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Applicants using the UPI Mechanism) to make an application in the Issue. Retail Individual Applicants using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the Application Amount are available for blocking, is UPI 2.0 certified by NPCI;
8. If the first applicant is not the bank account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form (for all Applicants other than Retail Individual Applicants, bidding using the UPI Mechanism);
9. All Applicants should submit their Applications through the ASBA process only;
10. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
11. Retail Individual Applicants submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Application is listed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in);
12. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement of your Application;
14. Retail Applicants using the UPI mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
15. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
16. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
17. Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Ensure that the Demographic Details are updated, true and correct in all respects;
19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
20. Ensure that the correct investor category and the investor status is indicated in the Application Form;
21. Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
22. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
23. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Applicants using the UPI Mechanism) to make an application in the Issue;
24. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
25. Applicants, other than Retail Individual Applicants using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
26. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
27. In case of ASBA Applicants (other than Retail Individual Investors using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
28. Once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
29. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
30. Retail Individual Investors who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in the Retail Individual Investors ASBA Account.
31. Retail Individual Applicants using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Applicant shall be deemed to have verified the attachment containing the application details of the Retail Individual Applicant in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;

32. Retail Individual Applicants applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
33. Retail Individual Applicants using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;
34. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
35. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
36. Retail Individual Applicants shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Issue Closing Date.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not apply by another Application Form after submission of Application to the Designated Intermediary.
4. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
5. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not submit the Application Forms to any non-SCSB bank or our Company;
7. Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not submit more than one Application Forms per ASBA Account;
10. Do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
11. Do not apply for an Application Amount exceeding Rs. 200,000 (for Applications by Retail Individual Applicants);
12. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;



16. If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
17. If you are a Retail Individual Applicant and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
18. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
19. Do not submit an application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
20. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
21. Do not withdraw your application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Applicant. Retail Individual Applicants can revise their applications during the Issue Period and withdraw their Applications on or before the Issue Closing Date;
22. Do not apply for shares more than specified by respective Stock Exchanges for each category;
23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Applicants using the UPI mechanism;
24. Do not submit incorrect UPI ID details, if you are a Retail Applicants applying through UPI Mechanism;
25. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your application after 3.00 p.m. on the Issue Closing Date;
26. Do not apply if you are an OCB.

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **GROUND FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “General Information Document for Investing in Public Issues” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. Applications submitted on a plain paper;
4. Applications submitted by Retail Individual Applicants using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
5. Applications submitted by Retail Individual Applicants using third party bank accounts or using a third party linked bank account UPI ID;
6. Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” in this Draft Prospectus;
7. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

8. Application submitted without the signature of the First Applicant or sole Applicants;
9. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Application by Retail Individual Applicants with Application Amount for a value of more than Rs 200,000
12. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;
14. Applications accompanied by stock invest, money order, postal order or cash;
15. Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

For details of instruction in relation to the Application Form, please refer to the General Information Document and UPI Circulars.

## INVESTOR GRIEVANCE

In case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled "General Information" on page 47.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

## IMPERSONATION

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

**"Any person who:**

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least Rs 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than Rs 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to Rs 5 million or with both.

## **NOMINATION FACILITY TO APPLICANTS**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

## **DEPOSITORY ARRANGEMENTS**

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated [●] among NSDL, our Company and the Registrar to the Issue.
- Agreement dated [●] among CDSL, our Company and Registrar to the Issue.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- the complaints received in respect of the 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 the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six working days of the Issue Closing Date or within such other time period prescribed by SEBI will be taken;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- if Allotment is not made within six working days from the Issue Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that if our Company do not proceed with the Issue after the Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges shall be informed promptly;
- that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh issue document with SEBI, in the event our Company or subsequently decide to proceed with the Issue;
- adequate arrangements shall be made to collect all Application Forms from Applicants.
- the Promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public.

## **UTILISATION OF NET PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.
- the utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

## **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker's Centre is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

Applicants may note that forms not filled completely or correctly as per instructions provided in this Draft Prospectus, the General Information Document which shall be made available on the website of the Stock Exchange, the Issuer and the BRLM, are liable to be rejected. Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below;

### **A. INSTRUCTION FOR FILLING THE APPLICATION FORM**

<b>COMMON APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
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<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> <b>ISIN : XXXXXXX</b>	Application Form No.
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ _____ Address _____ _____ Email _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	
<b>2. PAN OF SOLE/FIRST APPLICANT</b>		

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b>	<b>6. INVESTOR STATUS</b>
<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	<input type="checkbox"/> Individual(s)      - IND <input type="checkbox"/> Non- Resident Indians (Non- Repatriation Basis)      - NRI <input type="checkbox"/> Hindu Undivided Family*      - HUF <input type="checkbox"/> Bodies Corporate      - CO <input type="checkbox"/> Banks & Financial Institutions      - FI <input type="checkbox"/> Mutual Funds      - MF <input type="checkbox"/> National Investment Funds      - NIF <input type="checkbox"/> Insurance Funds      - IF <input type="checkbox"/> Insurance Companies      - IC <input type="checkbox"/> Venture Capital Funds      - VCF <input type="checkbox"/> Alternative Investment Funds      - AIF <input type="checkbox"/> Others (Please Specify)      - OTH
<b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b> No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price (In Figures)      (In Words) <b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>2</sup></b>	
<sup>1</sup> Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly. <sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.	

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>	
Amount Blocked (₹ in Figures)      (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ OR UPI Id _____ (Maximum 45 characters)		
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.		
<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1)	
	2)	
	3)	

TEAR HERE

<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - R</b> Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No.
DPID / CLID      PAN of Sole/First Applicant		
Amount Blocked (₹ in figures)      ASBA Bank & Branch		<b>Stamp &amp; Signature of SCSB Branch</b>
ASBA Bank A/c No./UPI Id		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>		In Figures	In Words	Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	<b>Name of Sole / First Applicant</b>
	No. of Equity Shares				
	Amount Blocked (₹)				
	ASBA Bank A/c No. / UPI Id: _____ Bank & Branch: _____				<b>Acknowledgement Slip for Applicant</b>
					Application Form No.

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

<b>COMMON APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:	<b>FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS</b>
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<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> <b>ISIN : XXXXXXXX</b>	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 150px; height: 20px;"></span>
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>  <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>  <b>BANK BRANCH SERIAL NO.</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>  <b>SCSB BRANCH STAMP &amp; CODE</b>  <b>SCSB SERIAL NO.</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Address <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Email <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
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<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID. <b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b> No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price (In Figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> (In Words) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> <b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>2</sup></b> <sup>1</sup> Please note that applications must be made in minimum of [•] shares and further multiples of [•] shares accordingly. <sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.	<b>5. CATEGORY</b> <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB <b>6. INVESTOR STATUS</b> <input type="checkbox"/> Non-Resident Indians - NRI (Repatriation basis) <input type="checkbox"/> Foreign Institutional Investor - FII/ <input type="checkbox"/> Foreign Portfolio Investor - FPI <input type="checkbox"/> Foreign Venture Capital Investor - FVCI <input type="checkbox"/> FII Sub Account Corporate / Individual - FIISA <input type="checkbox"/> Others - OTH (please specify)
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<b>7. PAYMENT DETAILS</b> Amount Blocked (₹ in Figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> (₹ in words) <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> Bank Name & Branch <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> OR UPI Id <span style="border: 1px solid black; display: inline-block; width: 150px; height: 15px;"></span> (Maximum 45 characters)	<b>PAYMENT OPTION : Full Payment</b> I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.
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<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2019	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> 2) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> 3) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b> <span style="border: 1px solid black; display: inline-block; width: 150px; height: 50px;"></span>
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<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b> Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 150px; height: 20px;"></span> PAN of Sole/First Applicant <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>
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<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b> Acknowledgement Slip for Applicant	Application Form No. <span style="border: 1px solid black; display: inline-block; width: 150px; height: 20px;"></span>
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Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.



## 1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT:

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a.) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- b.) **Joint Applicants:** In the case of Joint Applicants, the Application should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

## 2. FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT:

- a.) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b.) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Application on behalf of the Central or State Government, Application by officials appointed by the courts and Application by Applicant residing in Sikkim ("PAN Exempted Applicant"). Consequently, all Applicants, other than the PAN Exempted Applicant, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Application by the Applicant whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c.) The exemption for the PAN Exempted Applicant is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d.) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e.) Applications by Applicant whose demat accounts have been "suspended for credit" are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

## 3. FIELD NUMBER 3: APPLICANT'S DEPOSITORY ACCOUNT DETAILS

- a.) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.
- b.) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c.) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.

- d.) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4. FIELD NUMBER 4: APPLICATION OPTIONS

- a.) Since, this is the Fixed Price Issue and the Price has already been disclosed in the Prospectus, the Applicants should make application at the Issue Price only. For the purpose of this Issue, the Price has been Determined as [●] per equity shares (including premium of [●] per equity share).
- b.) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can make application at the Cut-off Price indicating their agreement to apply for and purchase the Equity Shares at the Issue Price as determined in terms of Prospectus. Making Application at the Cut-off Price is prohibited for QIBs and NIIs and such Applications from QIBs and NIIs may be rejected.
- c.) **Minimum Application Value and Application Lot:** For Application made by Retail Individual Investors, minimum application of 2000 Equity Shares to ensure that the minimum Application value is not exceeding ₹ 2,00,000 and not less than ₹ 1,00,000. For Application made by QIBs and Non – Institutional Investors, minimum application of [●] Equity Shares and in multiples of [●] Equity Shares thereafter to ensure that the minimum Application value is exceeding ₹ 2,00,000.
- d.) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum application Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. Also, in case if the RII category is entitled to more than the allocated equity shares on proportionate basis, the RII category shall be allotted that higher percentage.

#### Maximum and Minimum Application Size

- e.) The Applicants may apply for the desired number of Equity Shares in multiple of [●] equity shares at Issue Price. Applications by Retail Individual Investors and Retail Individual Shareholders must be for [●] equity shares, so as to ensure that the Application Amount, payable by the Applicants does not exceed ₹ 2,00,000.

In case the Application Amount exceeds ₹ 2,00,000 due to revision of the Application or any other reason, the Application may be considered for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected.

For NRIs, Application Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and Application Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.

- f.) Application by QIBs and NIIs must be for [●] equity shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2000 Equity Shares thereafter, as may be disclosed in the Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to make application at Cut off Price.
- g.) RII may revise or withdraw their application until Issue Closing Date. QIBs and NII's cannot withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after making application and are required to pay the Application Amount upon submission of the Application.
- h.) In case the Application Amount reduces to ₹ 2,00,000 or less due to a revision of the Price, Application by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- i.) An Application cannot be submitted for more than the net issue size.
- j.) The maximum application by any applicant including QIB applicant should not exceed the investment limits prescribed for them under the applicable laws.



## **Multiple Applications**

- k.) Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Applications and are liable to be rejected.
- l.) Applicants are requested to note the following procedures that may be followed by the Registrar to the Issue to detect multiple Applications:
  - i. All Applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple Application by Applicants and may be rejected.
  - ii. For Application from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Application on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. Such Applications which have the same DP ID and Client ID may be treated as multiple applications and are liable to be rejected.
- m.) **The following Applications may not be treated as multiple Applications:**
  - i. Applications by Reserved Categories making application in their respective Reservation Portion as well as application made by them in the Issue portion in public category.
  - ii. Separate Applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

## **5. FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a.) The categories of Applicants are identified as per the SEBI ICDR Regulations, for the purpose of Applications, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b.) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c.) The SEBI ICDR Regulations, specify the allocation or allotment that may be made to various categories of Application in an issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.
- d.) For Issue specific details in relation to allocation, Applicants may refer to the Prospectus.

## **6. FIELD NUMBER 6: INVESTOR STATUS**

- a.) Each Applicants should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue follows the investment restrictions under applicable law.
- b.) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c.) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d.) Applicants should ensure that their investor status is updated in the Depository records.

## 7. FIELD NUMBER 7: PAYMENT DETAILS

- a.) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicants providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- b.) The full Application Amount shall be blocked based on the authorization provided in the Application Form.
- c.) RIIs who make application at Cut-off price shall be blocked on the Cap Price.
- d.) All Applicants (other than Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- e.) RIIs submitting their applications through Designated Intermediaries can participate in the Issue through the UPI mechanism, through their UPI ID linked with their bank account.
- f.) Application Amount cannot be paid in cash, cheque, and demand draft, through money order or through postal order.

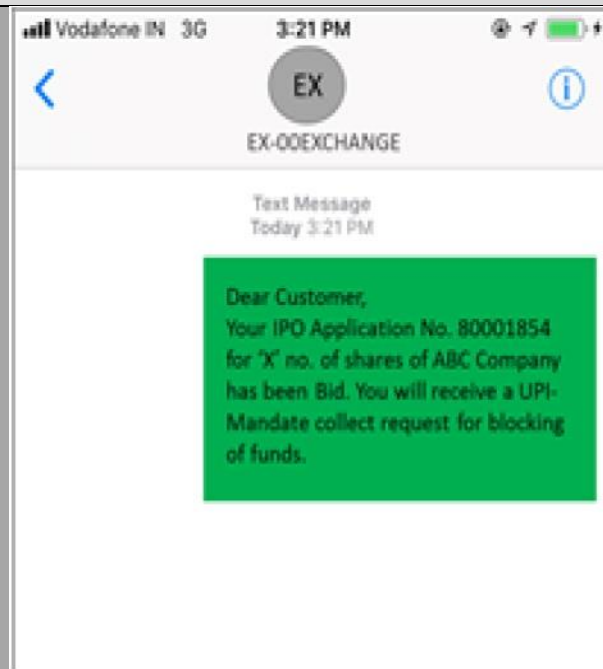
### Payment instructions for Applicants (other than Anchor Investors)

- a.) From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

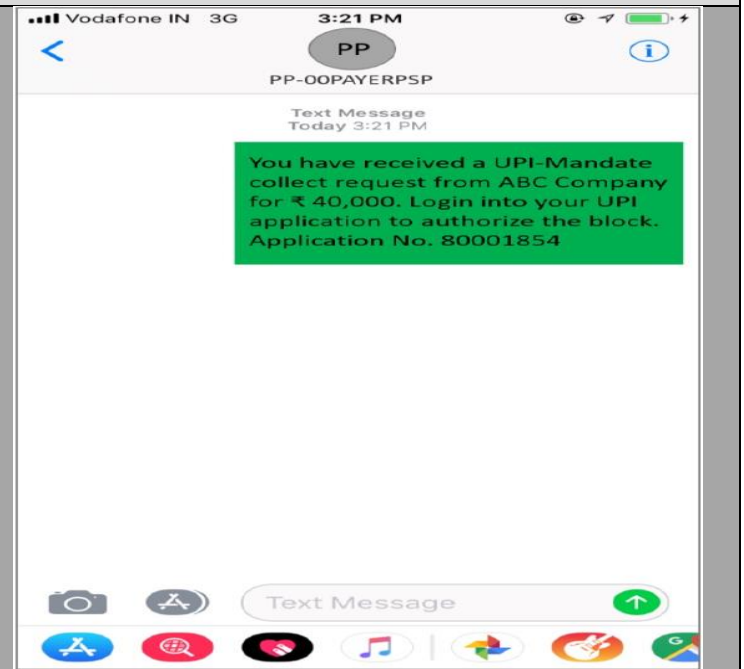
Category of Investor	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.		RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII)	For such applications the existing process of uploading the Application and blocking of funds in the RIIs account by the SCSB would continue.		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable

Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:

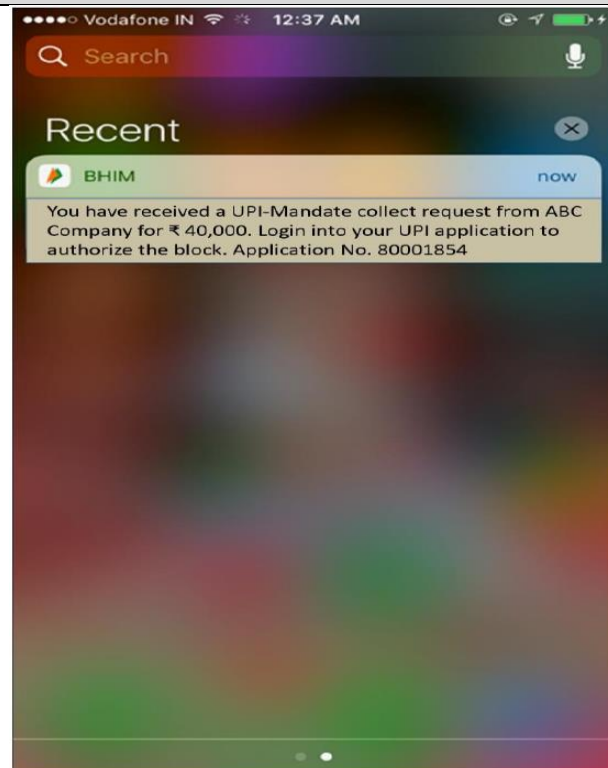
### ILLUSTRATIVE SMS



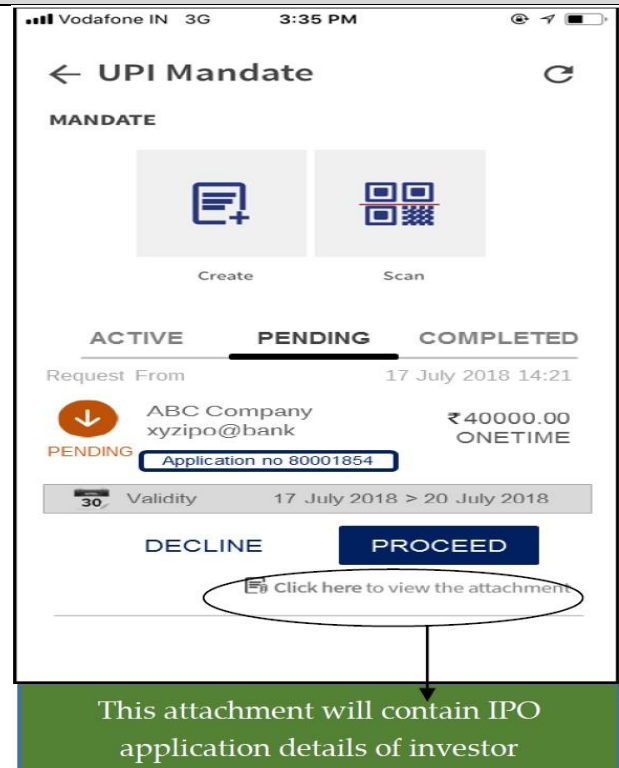
### BLOCK REQUEST SMS TO INVESTOR



### BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION



### BLOCK REQUEST SMS TO INVESTOR



**SAMPLE OF IPO DETAILS IN ATTACHMENT**

Secure | https://

1 Enter Details

**Investor Details**

Depository Name	DP ID	Client ID
NSDL	IN300513	14871468

Beneficiary No. PAN Card Investor's Name

- AAMPF7581P SHYAM SHARAM

**IPO Details**

Company Name	IPO Symbol	Bid Lot
IPO	SUPREMEENG	40000

Face Value Maximum Price Minimum Price

10.00 ₹ 32.00 ₹ 27.00

Cut Off Price IPO Start Date IPO End Date

₹ 32.00 20 July 2018 27 July 2018

Discount Amount Discount Category

NA -

**POST VERIFICATION OF DETAILS ABOVE**

Vodafone IN 3G 5:43 PM

← **Create Mandate**

TO

ABC Company

✓ xyzipo@bank **Verified Merchant**

Mandate Amount

₹ 40000.00

The Amount entered will be blocked immediately & debited from payer account as per your Mandate inputs

Frequency

**ONETIME**

Validity

Start Date End Date

20 JULY 2018 > 27 JULY 2018

Users account will be debited within validity period.

REMARKS

Application no 80001834

Click here to view the attachment

**PROCEED**

**PRE-CONFIRMATION PAGE**

Vodafone IN 3G 3:48 PM

Please check the below details as the amount will be **blocked** for the validity period and will be debited as per the mandate inputs. In case of non-execution of the Mandate, the amount will be unblocked

**Mandate Details**

To

ABC Company

✓ xyzipo@bank

AMOUNT

₹ 0000.00

FREQUENCY

**ONETIME**

VALIDITY

20 JULY 2018 to 27 JULY 2018

REMARKS

Application no 80001834

**CANCEL** **CONFIRM**

**ENTERING OF UPI PIN**

Vodafone IN 3G 1:39 AM

**CANCEL**

**STATE BANK OF INDIA**


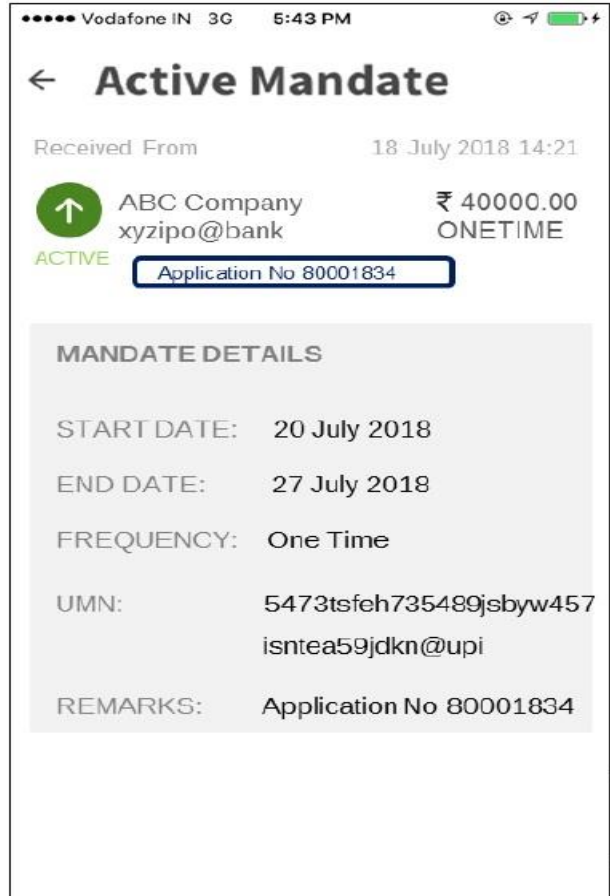
UPI

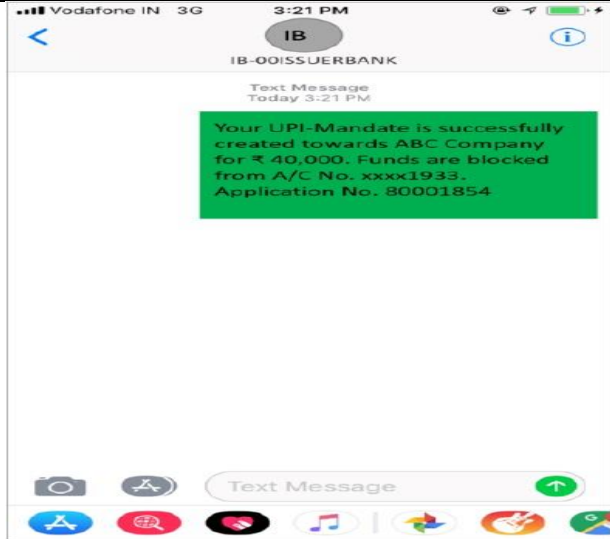
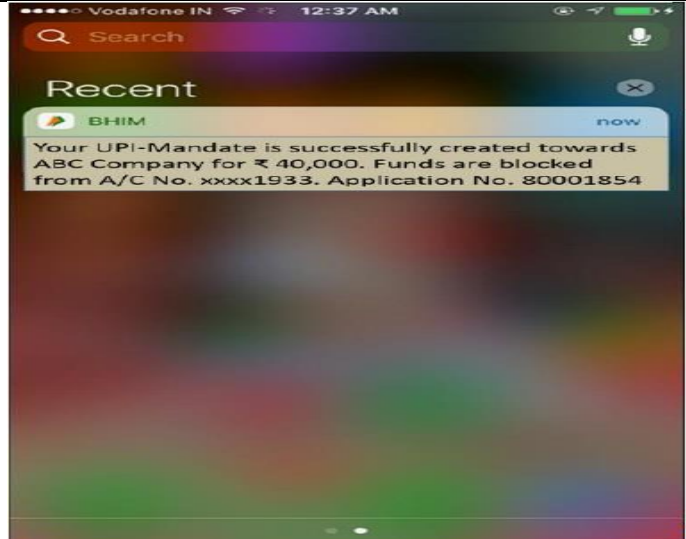
ABC Company ₹ 40000

**ENTER UPI PIN**

— — — —

1	2	3
4	5	6
7	8	9
✕	0	SUBMIT

CONFIRMATION PAGE	APPROVED MANDATES VISIBLE IN UPI APPLICATION
 <p><b>Mandate Approved</b></p> <p>UPI ID: xyzipo@bank        Amount: Rs 40000.00        Frequency: ONETIME        UMN: 5473tsfeh735489jsbyw457isntea59jdkn@upi        Validity: 20<sup>th</sup> July 2018 to 27<sup>th</sup> July 2018</p> <p><a href="#">VIEW DETAILS</a> <a href="#">HOME</a></p>	 <p><b>Active Mandate</b></p> <p>Received From: 18 July 2018 14:21</p> <p>ABC Company        xyzipo@bank        ₹ 40000.00        ONETIME</p> <p><b>ACTIVE</b> Application No 80001834</p> <p><b>MANDATE DETAILS</b></p> <p>START DATE: 20 July 2018        END DATE: 27 July 2018        FREQUENCY: One Time        UMN: 5473tsfeh735489jsbyw457isntea59jdkn@upi        REMARKS: Application No 80001834</p>

BLOCK CONFIRMATION SMS TO INVESTOR	BLOCK CONFIRMATION APPLICATION INTIMATION
 <p>Text Message Today 3:21 PM</p> <p>Your UPI-Mandate is successfully created towards ABC Company for ₹ 40,000. Funds are blocked from A/C No. xxxx1933. Application No. 80001854</p>	 <p>Recent</p> <p>BHIM now</p> <p>Your UPI-Mandate is successfully created towards ABC Company for ₹ 40,000. Funds are blocked from A/C No. xxxx1933. Application No. 80001854</p>

- b.) QIB and NII Applicants may submit the Application Form either;
- i. to SCSB in physical or electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- c.) Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by Applicants and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.
- d.) Applicants should note that application made using third party UPI ID or ASBA Bank account are liable to be rejected.
- e.) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.
- f.) Applicants should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centers, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.
- g.) **Applicants making application through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- h.) **Applicants making application directly through the SCSBs** should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i.) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- j.) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and for application directly submitted to SCSB by investor, may enter each application details into the electronic bidding system as a separate application.
- k.) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Application on the Stock Exchange platform and such Applications are liable to be rejected.
- l.) Upon submission of a completed Application Form each Applicants (not being a RII who has opted for the UPI payment mechanism and provided a UPI ID with the Application Form) may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Application Amount for RIIs who have provided a UPI ID with the Application Form, please refer to graphical illustrative process of the investor receiving and approving the UPI mandate request provided in clause (a).
- m.) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- n.) SCSBs making application in the Issue must apply through an Account maintained with any other SCSB; else their Applications are liable to be rejected.

## **8. FIELD NUMBER 8: UNBLOCKING OF ASBA ACCOUNT**

- a.) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB or the Sponsor Bank, as the case may be, along with instructions to unblock

the relevant ASBA Accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant ASBA Account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA Accounts.

- b.) On the basis of instructions from the Registrar to the Issue, the SCSBs or the Sponsor Bank, as the case may be, may transfer the requisite amount against each successful Applicants to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c.) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Application Amount in the Relevant Account within four Working Days of the Issue Closing Date.

#### **Additional Payment Instructions for RIIs applying through Designated Intermediaries using the UPI mechanism**

- d.) Before submission of the application form with the Designated Intermediary, an RII shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
- e.) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>
- f.) RIIs shall mention his / her UPI ID along with the application details in the Application Form in capital letters and submit the Application Form to any of the Designated Intermediaries.
- g.) The Designated Intermediary upon receipt of the Application Form will upload the application details along with UPI ID in the stock exchange bidding platform.
- h.) Once the application has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the Designated Intermediary through its bidding platform, for corrections, if any.
- i.) Once the application details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the application details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.
- j.) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.
- k.) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the details of the application are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire application Amount and authorized the Sponsor Bank to block the application Amount mentioned in the Application Form and Subsequent debit in case of allotment.
- l.) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.

- m.) RIIs may continue to modify or withdraw the application till the closure of the Issue Period. For each modification of the application, the RII will submit a revised application and will receive a new UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.
- n.) RIIs to check the correctness of the details on the mandate received before approving the Mandate Request.
- o.) Post closure of the Issue, the stock exchange will share the application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

**Discount: NOT APPLICABLE**

#### **Additional Payment Instruction for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

### **9. FIELD NUMBER 9: SIGNATURES AND OTHER AUTHORISATIONS**

- a.) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b.) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.
- c.) Applicants must note that Application Form without signature of Applicants and /or ASBA Account holder is liable to be rejected.

### **10. FIELD NUMBER 10: ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a.) Applicant should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediary or SCSB, as applicable, for submission of the Application Form.
- b.) All communications in connection with Application made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicant should contact the Registrar to the Issue.
  - ii. In case of ASBA Application submitted to the Designated Branches of the SCSBs, the Applicant should contact the relevant Designated Branch of the SCSB.
  - iii. Applicants may contact the Company Secretary and Compliance Officer or Lead Manager in case of any other complaints in relation to the Issue.
  - iv. In case of queries relating to uploading of Application by a Syndicate Member, the Applicant should contact the relevant Syndicate Member.
  - v. In case of queries relating to uploading of Application by a Registered Broker, the Applicant should contact the relevant Registered Broker
  - vi. In case of Application submitted to the RTA, the Applicant should contact the relevant RTA.
  - vii. In case of Application submitted to the DP, the Applicant should contact the relevant DP.



viii. In case of queries relating to uploading of Application through the UPI Mechanism, the Applicant should contact the Sponsor Bank;

c.) The following details (as applicable) should be quoted while making any queries –

- i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Application.
- ii. name and address of the Designated Intermediary, where the Application was submitted; or
- iii. Applications, ASBA Account number or the UPI ID (for RIIs who make the payment of Application Amount through the UPI mechanism) linked to the ASBA Account where the Application Amount was blocked in which the amount equivalent to the Application Amount was blocked.
- iv. For further details, Applicants may refer to the Prospectus and the Application Form.

## **B. INSTRUCTIONS FOR FILLING THE REVISION FORM**

- a.) During the Issue Period, any Applicants (other than QIBs and NIIs, who can only revise their Application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b.) RII may revise / withdraw their Application till closure of the Issue period.
- c.) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- d.) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had made the original Application. It is clarified that RIIs whose original Application is made using the UPI mechanism, can make revision(s) to their Application using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Applicants are advised to retain copies of the blank Revision Form and the Application(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:





# **11. FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 1, 2 and 3 above under the heading “Instructions for Filling the Application Form”.

## **12. FIELDS 4 AND 5: APPLICATION OPTIONS REVISION ‘FROM’ AND ‘TO’**

- a.) Apart from mentioning the revised number of shares in the Revision Form, the Applicants must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form. For example, if Applicant has applied for 2000 equity shares in the Application Form and such applicant is changing number of shares applied for in the Revision Form, the applicant must fill the details of 2000 equity shares, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- b.) In case of revision, applicants’ options should be provided by applicants in the same order as provided in the Application Form.
- c.) In case of revision of Applicants by Retail Individual Investors and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, Subsequent to revision, does not exceed ₹ 200,000. In case the Application Amount exceeds ₹ 200,000 due to revision of the Application or for any other reason, the Application may be considered, subject to eligibility, for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected. The Cut-off Price option is given only to the Retail Individual Investors and Retail Individual Shareholders indicating their agreement to apply for and purchase the Equity Shares at the Issue Price.
- d.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Application or make additional payment and the Issue Price is higher than the price disclosed in the Prospectus, the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised application at Cut-off Price.
- e.) In case of a downward revision in the Price, RIIs who have applied at the Cut-off Price could either revise their application or the excess amount paid at the time of application may be unblocked in case of applicants.

## **13. PAYMENT DETAILS**

- a.) All Applicants are required to make payment of the full Application Amount along with the Application Revision Form.
- b.) Applicant may Issue instructions to block the revised amount based on the revised Price in the ASBA Account of the UPI Linked Bank Account, to the same Designated Intermediary through whom such applicant had placed the original application to enable the relevant SCSB to block the additional Application Amount, if any.
- c.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the application or make additional payment and the Price is higher than Issue price disclosed in the Prospectus prior to the revision, the number of Equity Shares applied for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the applicant is deemed to have approved such revised application at the Cut-off Price.

- d.) In case of a downward revision in the Price, RIIs and Retail Individual Shareholders, who have applied at the Cut-off Price, could either revise their application or the excess amount paid at the time of application may be unblocked.

#### **14. FIELD NUMBER 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 9 above under the heading “Instructions for Filling the Application Form” for this purpose.

#### **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. Adequate arrangements shall be made to collect all Application forms.

#### **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company’s balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;

- 5) Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DPIIT, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction –Foreign Investment In India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.



### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.



## **SECTION XIV – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION**

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

<b>ARTICLE NO.</b>	<b>INTERPRETATION</b>	<b>HEADING</b>
<b>1.</b>	<p>In these Articles unless there be something in the subject matter or context inconsistent therewith:</p> <ul style="list-style-type: none"> <li>i. “The Act” means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.</li> <li>ii. “Articles” means Articles of Association of the Company as originally framed or altered from time to time</li> <li>iii. “Beneficial Owner” shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.</li> <li>iv. “Board” or “Board of Director” means the Collective body of the Board of Directors of the Company.</li> <li>v. “Chairman” means the Chairman of the Board of the Directors of the Company.</li> <li>vi. “The Company” means SBS Food Courts Limited.</li> <li>vii. “Depositories Act, 1996” shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.</li> <li>viii. “Depository” shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.</li> <li>ix. “Directors” mean the Directors for the time being of the Company.</li> <li>x. “Dividend” includes any interim dividend.</li> <li>xi. “Document” means a document as defined in Section 2 (36) of the Companies Act, 2013.</li> <li>xii. “Equity Share Capital”, with reference to any Company limited by shares, means all share capital which is not preference share capital;</li> <li>xiii. “KMP” means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.</li> <li>xiv. “Managing Director” means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.</li> <li>xv. “Month” means Calendar month.</li> <li>xvi. “Office” means the registered office for the time being of the Company.</li> <li>xvii. “Paid-up share capital” or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;</li> <li>xviii. “Postal Ballot” means voting by post or through any electronic mode.</li> <li>xix. “Proxy” includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.</li> <li>xx. “Public Holiday” means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.</li> </ul>	Interpretation

	<p>xxi. “Registrar” means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.</p> <p>xxii. “Rules” means the applicable rules as prescribed under the relevant sections of the Act for time being in force.</p> <p>xxiii. “SEBI” means Securities &amp; Exchange Board of India established under Section 3 of the Securities &amp; Exchange Board of India Act, 1992.</p> <p>xxiv. “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)</p> <p>xxv. “Share” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.</p> <p>xxvi. “Seal” means the common seal of the Company.</p> <p>xxvii. “Preference Share Capital”, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—          (i) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and          (ii) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;</p> <p>xxviii. “Persons” include corporations and firms as well as individuals.</p> <p>Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.</p> <p>Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.</p> <p>‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.</p>	
<b>2.</b>	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	Share Capital
<b>3.</b>	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
<b>4.</b>	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	Issue of Sweat Equity Shares

<b>5.</b>	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	Issue of Debentures
<b>6.</b>	<p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>	Issue of Share Certificate
<b>7.</b>	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	
<b>8.</b>	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
<b>9.</b>	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company..	
<b>10.</b>	<p>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p>	Power to pay Commission In connection with the Securities issued

	<p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>	
<b>11.</b>	<p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>	Variations of Shareholder's rights
<b>12.</b>	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	
<b>13.</b>	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.	Issue of Preference Shares
<b>14.</b>	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:          Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p>	Further Issue of shares
<b>15.</b>	i. The Company shall have a first and paramount lien—	Lien

	<ul style="list-style-type: none"> <li>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</li> <li>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company;</li> <li>c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares</li> </ul> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	
<b>16.</b>	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <ul style="list-style-type: none"> <li>a. unless a sum in respect of which the lien exists is presently payable; or</li> <li>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</li> </ul>	
<b>17.</b>	<ul style="list-style-type: none"> <li>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</li> <li>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</li> <li>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</li> </ul>	
<b>18.</b>	<ul style="list-style-type: none"> <li>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</li> <li>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</li> </ul>	
<b>19.</b>	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles: -</p> <ul style="list-style-type: none"> <li>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</li> <li>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</li> <li>c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint</li> </ul>	Joint Holdings

	<p>holder from any liability on shares held by him jointly with any other person.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	
<b>20.</b>	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	Calls on Shares
<b>21.</b>	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	
<b>22.</b>	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
<b>23.</b>	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	
<b>24.</b>	i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to	

	<p>be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	
<b>25.</b>	<p>The Board—</p> <p>i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>	
<b>26.</b>	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
<b>27.</b>	The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.	
<b>28.</b>	The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.	
<b>29.</b>	<p>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</p> <p>ii. Each share in the Company shall be distinguished by its appropriate number.</p> <p>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</p>	
<b>30.</b>	<p>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p>	
<b>31.</b>	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <p>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>ii. any transfer of shares on which the Company has a lien.</p> <p>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</p>	Transfer of Shares
<b>32.</b>	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <p>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</p> <p>ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require</p>	

	<p>to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.</p> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <p>iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</p> <p>iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;</p> <p>v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</p>	
<b>33.</b>	The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay	
<b>34.</b>	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year</p>	
<b>35</b>	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.	
<b>36.</b>	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.	Register of Transfers
<b>37.</b>	<p>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p> <p>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form: -</p> <ul style="list-style-type: none"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>• Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</li> </ul>	Dematerialisation of Securities



	<p>d. Rights of Depositories &amp; Beneficial Owners: - Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
<b>38.</b>	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	Transmission of Shares
<b>39.</b>	<p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p>	

	<p>a. to be registered himself as holder of the share; or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	
<b>40.</b>	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>	
<b>41.</b>	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>	
<b>42.</b>	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
<b>43.</b>	<p>If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p>	Forfeiture of Shares
<b>44.</b>	<p>The notice aforesaid shall—</p> <p>i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>	
<b>45.</b>	<p>If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p>	
<b>46.</b>	<p>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>	

<b>47.</b>	<p>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</p> <p>ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</p>	
<b>48.</b>	<p>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p>	
<b>49.</b>	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	
<b>50.</b>	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	
<b>51.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
<b>52.</b>	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
<b>53.</b>	The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	
<b>54.</b>	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	
<b>55.</b>	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	Initial payment not to preclude forfeiture
<b>56.</b>	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	Alteration of Share Capital

<b>57.</b>	<p>Subject to the provisions of section 61, the Company may, by ordinary resolution,—</p> <ol style="list-style-type: none"> <li>consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</li> </ol>	
<b>58.</b>	<p>Where shares are converted into stock,—</p> <ol style="list-style-type: none"> <li>the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <li>the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</li> <li>Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</li> </li></ol>	Conversion of Shares into Stock
<b>59.</b>	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, —</p> <ol style="list-style-type: none"> <li>its share capital;</li> <li>any capital redemption reserve account; or</li> <li>Any share premium account.</li> </ol>	Reduction of Capital
<b>60.</b>	<p>The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p>	Share Warrants

	<p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	
<b>61.</b>	<p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <ol style="list-style-type: none"> <li>that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</li> <li>that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</li> </ol> <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <ol style="list-style-type: none"> <li>paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</li> <li>partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</li> <li>The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ol> <p>iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</p>	Capitalization of Profits
<b>62.</b>	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <ol style="list-style-type: none"> <li>make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</li> <li>generally to do all acts and things required to give effect thereto.</li> </ol>	

	<p>ii. The Board shall have power—</p> <p>a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
<b>63.</b>	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy back of Shares
<b>64.</b>	All General Meetings other than annual general meeting shall be called extraordinary general meetings	General Meeting
<b>65.</b>	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>	
<b>66.</b>	<p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	Proceedings at General Meetings
<b>67.</b>	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
<b>68.</b>	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	

<b>69.</b>	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.	
<b>70.</b>	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
<b>71.</b>	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
<b>72.</b>	<ul style="list-style-type: none"> <li>ii. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</li> <li>iii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</li> </ul>	Demand for Poll
<b>73.</b>	<ul style="list-style-type: none"> <li>i. A poll demanded on a question of adjournment shall be taken forthwith.</li> <li>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</li> </ul>	Time of taking Poll
<b>74.</b>	<ul style="list-style-type: none"> <li>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</li> <li>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</li> <li>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</li> <li>iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</li> </ul>	Adjournment of Meeting
<b>75.</b>	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <ul style="list-style-type: none"> <li>i. on a show of hands, every member present in person shall have one vote; and</li> <li>ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.</li> </ul>	
<b>76.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	Voting Rights
<b>77.</b>	<ul style="list-style-type: none"> <li>i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</li> <li>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</li> </ul>	

<b>78.</b>	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	
<b>79.</b>	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
<b>80.</b>	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
<b>81.</b>	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.	
<b>82.</b>	i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	
<b>83.</b>	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
<b>84.</b>	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	Casting Vote
<b>85.</b>	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	Representation of Body Corporate
<b>86.</b>	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	Circulation of member's Resolution
<b>87.</b>	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	Resolution requiring special notice
<b>88.</b>	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date	Resolutions passed at adjourned meeting
<b>89.</b>	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	Registration of resolutions and agreements
<b>90.</b>	i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the	Minutes of proceedings of general meeting



	<p>conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:</p> <p>A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>a. the names of the Directors present at the meetings, and</p> <p>b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <p>a. is or could reasonably be regarded, as defamatory of any person</p> <p>b. is irrelevant or immaterial to the proceedings; or</p> <p>c. in detrimental to the interests of the Company.</p> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	and of Board and other meetings
<b>91.</b>	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	Minutes to be considered to be evidence
<b>92.</b>	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	Publication of reports of proceeding of general meetings
<b>93.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Proxy
<b>94.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
<b>95.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the	

	<p>proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	
<b>96.</b>	<p>The First Directors of the Company shall be:</p> <ol style="list-style-type: none"> <li>1. Mr. Lawrence A Sequeira</li> <li>2. Mr. Josly Sequeira</li> <li>3. Mr. Alwin Sequeira</li> </ol>	
<b>97.</b>	The Directors need not hold any “Qualification Share(s)”.	
<b>98</b>	<p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	Board of Directors
<b>99.</b>	<ol style="list-style-type: none"> <li>i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</li> <li>ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them— <ol style="list-style-type: none"> <li>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>b. in connection with the business of the company.</li> </ol> </li> </ol>	
<b>100.</b>	The Board may pay all expenses incurred in getting up and registering the company.	
<b>101.</b>	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.	
<b>102.</b>	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	
<b>103.</b>	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.	

<b>104.</b>	<p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>	
<b>105.</b>	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	Retirement and Rotation of Directors
<b>106.</b>	The remaining Directors shall be appointed in accordance with the provisions of the Act.	
<b>107.</b>	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	
<b>108.</b>	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	
<b>109.</b>	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
<b>110.</b>	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
<b>111.</b>	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.	Nominee Director
<b>112.</b>	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
<b>113.</b>	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold	

	debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	
<b>114.</b>	<p>The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.</p> <p>Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.</p>	
<b>115</b>	Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
<b>116.</b>	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	Removal of Director
<b>117.</b>	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	
<b>118.</b>	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
<b>119</b>	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <ol style="list-style-type: none"> <li>in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</li> <li>send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</li> </ol> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	

<b>120.</b>	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
<b>121</b>	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
<b>122.</b>	If the vacancy is not filled under clause (5) above, it may be filled as a casual vacancy in accordance with the provisions of this Act: Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.	
<b>123.</b>	Nothing in this section shall be taken- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or b) as derogating from any power to remove a director under other provisions of this Act.	
<b>124.</b>	Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.  In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them. a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or b. In connection with the business of the Company.	Remuneration and sitting fees to Directors including Managing and whole time Directors
<b>125</b>	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/-(Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.	
<b>126.</b>	i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.  a. The power to make calls on shareholders in respect of money unpaid on their shares; b. The Power to authorize buy-back of securities under Section 68 of the Act. c. Power to issue securities, including debenture, whether in or outside India d. The power to borrow moneys e. The power to invest the funds of the Company,	<b>Powers and duties of Directors:</b>  <b>Certain powers to be exercised by the Board only at meeting</b>

	<p>f. Power to Grant loans or give guarantee or provide security in respect of loans</p> <p>g. Power to approve financial statements and the Board's Report</p> <p>h. Power to diversify the business of the Company</p> <p>i. Power to approve amalgamation, merger or reconstruction</p> <p>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</p> <p>k. Powers to make political contributions;</p> <p>l. Powers to appoint or remove key managerial personnel (KMP);</p> <p>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p> <p>n. Powers to appoint internal auditors and secretarial auditor;</p> <p>o. Powers to take note of the disclosure of director's interest and shareholding;</p> <p>p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;</p> <p>q. Powers to invite or accept or renew public deposits and related matters;</p> <p>r. Powers to review or change the terms and conditions of public deposit;</p> <p>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>	
<b>127.</b>	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting:</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p>	<b>Restriction on powers of Board</b>

	<p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately preceding.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	
<b>128.</b>	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
<b>129.</b>	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.	General powers of the Company vested in Directors
<b>130.</b>	Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:	Specific Power given to Directors

	<ul style="list-style-type: none"> <li>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</li> <li>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</li> <li>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</li> <li>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</li> <li>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</li> <li>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</li> <li>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</li> <li>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</li> </ul>	
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	<p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any</p>	
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	<p>Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
<b>131.</b>	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or</p>	<p><b>MANAGING DIRECTORS</b></p> <p>Power to appoint Managing or Whole-time Directors</p>

	<p>periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	
<b>132.</b>	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	Proceedings of the Board
<b>133.</b>	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
<b>134.</b>	<p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>	
<b>135</b>	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	
<b>136.</b>	The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
<b>137.</b>	<p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>	
<b>138.</b>	<p>a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>	Delegation of Powers of Board to Committee
<b>139.</b>	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>	
<b>140.</b>	a) A committee may meet and adjourn as it thinks fit.	

	b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	
<b>141.</b>	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	
<b>142.</b>	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held	
<b>143.</b>	Subject to the provisions of the Act—  a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer
<b>144.</b>	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.	
<b>145.</b>	a) The Board shall provide for the safe custody of the seal. b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	The Seal
<b>146.</b>	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	Dividends and Reserve
<b>147.</b>	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.	
<b>148.</b>	a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	

<b>149.</b>	<p>a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	
<b>150</b>	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	
<b>151.</b>	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
<b>152.</b>	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	
<b>153.</b>	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	
<b>154.</b>	<p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>	
<b>155.</b>	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	
<b>156.</b>	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
<b>157.</b>	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made	

	a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
<b>158.</b>	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>	Accounts
<b>159.</b>	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <ol style="list-style-type: none"> <li>be kept at the registered office of the Company, and</li> <li>be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</li> </ol> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p>	Inspection of Statutory Documents of the Company:
<b>160.</b>	<p>Register of charges:</p> <p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <ol style="list-style-type: none"> <li>by any member or creditor without any payment of fees; or</li> <li>by any other person on payment of such fees as may be prescribed,</li> </ol> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	
<b>161.</b>	<p>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p>	Audit

	d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.	
<b>162.</b>	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <ul style="list-style-type: none"> <li>i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</li> <li>ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</li> <li>iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</li> </ul>	Winding up
<b>163.</b>	Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—	Indemnity
<b>164.</b>	<p>(a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>(b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>	Secrecy

## **SECTION XV – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Draft Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Issue Agreement dated October 26, 2021 between our Company and Shreni Shares Private Limited as Lead Manager to the Issue.
2. Registrar Agreement dated September 29, 2021 executed between our Company and the Registrar to the Issue (Bigshare Services Private Limited)
3. Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated [●] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●] between our Company, Lead Manager and Underwriters.
6. Tripartite Agreement dated [●] among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated [●] among NDSL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated April 30, 2021 issued by the Registrar of Companies, Centre Registration Centre.
3. Copy of the Board Resolution dated August 28, 2021 authorizing the Issue and other related matters.
4. Copy of Shareholder's Resolution dated August 31, 2021 authorizing the Issue and other related matters.
5. Copies of Audited Financial Statements of our Company and erstwhile Partnership firm for the stub period ended on May 31, 2021 & April 29, 2021 and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019.
6. Peer Review Auditors Report dated October 25, 2021 on Restated Financial Statements of our Company for the stub period ended on May 31, 2021 & April 29, 2021 and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019.
7. Copy of the Statement of Possible Special Tax Benefits dated October 25, 2021 from the Statutory Auditor.
8. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to our Company, Banker to the Issue, Sponsor Bank, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, as referred to, in their respective capacities.
9. Board Resolution dated November 29, 2021 for approval of Draft Prospectus, dated [●] for approval of Prospectus
10. Due Diligence Certificate from Lead Manager dated November 29, 2021 filed with NSE and dated [●] filed with SEBI.
11. In-principle Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE EMERGE.



### **DECLARATION**

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Prospectus are true and correct.

#### **SIGNED BY THE DIRECTORS OF OUR COMPANY:**

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**Mr. Lawrence A Sequeira**  
*Chairman and Managing Director*  
DIN: 02842914

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**Mr. Josly Eric Sequeira**  
*Whole-Time Director*  
DIN: 08588131

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**Mr. Alwin Sequeira**  
*Whole-Time Director*  
DIN: 09162481

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**Mr. Jigar Dineshbhai Patel**  
*Non-Executive Independent Director*  
DIN: 09296896

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**Mr. Ravikumar Yadav**  
*Non-Executive Independent Director*  
DIN: 09287704

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**Mrs. Bindu Dilliprasad Acharya**  
*Non-Executive Independent Director*  
DIN: 07953338

#### **SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY: -**

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**Mr. Milind Sunil Yennemadi**  
*Chief Financial Officer*

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**Mr. Prashant Agarwal**  
*Company Secretary and Compliance Officer*

**Date – November 29, 2021**  
**Place – Mumbai**