



Our Company was incorporated as “Foolproof Vyapaar Private Limited” at Kolkata, West Bengal as a Private Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 26, 2005 bearing Corporate Identification Number U51109GJ2005PTC076930 issued by Registrar of Companies, Kolkata, West Bengal. Consequent the name of the Company was changed from “Foolproof Vyapaar Private Limited” to “Vaxtex Cotfab Private Limited” as approved by shareholders of our Company pursuant to a special resolution dated December 18, 2015 and Certificate of Incorporation was issued by Registrar of Companies Ahmedabad, Gujarat dated December 30, 2015. Consequent upon the conversion of our Company to public limited company and as approved by the shareholders of our company pursuant to a special resolution dated March 05, 2018, the name of our Company was changed to “Vaxtex Cotfab Limited” and fresh certificate of incorporation dated March 21, 2018 was issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company is L51109GJ2005PLC076930.

Corporate Identification Number: L51109GJ2005PLC076930
Registered Office: J-03 (GF to 4th Floor) Tejendra Arcade, Nr. Ganjifarak Mill Compound,
 Nr. Rakhial Char Rasta, Rakhial, Ahmedabad – 380 023, Gujarat
Contact: +91-9727170232; **Email id:** vaxtexcotfab@gmail.com
Website: <https://vaxtexcotfabltd.com/>;
Contact Person: Ms. Vinita Keswani, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: MR. MITHLESHKUMAR AGRAWAL, MR. KHUSHANT GUPTA, M/S. QMIN INDUSTRIES LIMITED (FORMERLY KNOWN AS QMIN PHARMA PRIVATE LIMITED) AND M/S. VAX ENTERPRISE PRIVATE LIMITED (FORMERLY KNOWN AS MIRACLE STORES PRIVATE LIMITED)		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE QUITTY SHAREHOLDERS OF VAXTEX COTFAB LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY		
WE HEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS ARE WILFUL DEFAULTERS AS ON DATE OF THIS FINAL LETTER OF OFFER		
ISSUE OF 6,31,45,050# FULLY PAID UP EQUITY SHARES OF FACE VALUE OF RE. 1/- EACH (“EQUITY SHARES”) OF VAXTEX COTFAB LIMITED (“VAXTEX” OR “VCL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 2/- PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF RE. 1/- PER EQUITY SHARE) (“ISSUE PRICE”), AGGREGATING UPTO RS. 12,62,90,100/- ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) FULLY PAID UP EQUITY SHARE FOR EVERY 2 (TWO) EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. MONDAY, JULY 24, 2023 (THE “RECORD DATE”). THE ISSUE PRICE IS 2 TIMES OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 155 OF THIS FINAL LETTER OF OFFER.		
GENERAL RISKS		
Investments 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. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Final Letter of Offer. Specific attention of the investors is invited to the section “Risk Factors” on page 25 of this Final Letter of Offer.		
ABSOLUTE RESPONSIBILITY OF THE COMPANY		
The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Final Letter of Offer contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Final Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Final Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.		
LISTING		
The existing Equity Shares are listed only on National Stock Exchange of India Limited (“NSE”). Our Company has received ‘in-principle’ approval from NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated June 14, 2023. Our Company will also make an application to the stock exchange to obtain its trading approval for the right entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is National Stock Exchange of India Limited (“NSE”).		
REGISTRAR TO THE ISSUE	BANKER TO THE ISSUE	
CAMEO CORPORATE SERVICES LIMITED Subramanian Building, 1 Club House Road, Chennai - 600 002 Tel : +91 - 44 4002 0700 Email: rights@cameoindia.com Investor Grievance Email id: investor@cameoindia.com Website: https://rights.cameoindia.com/vaxtex Contact Person: Ms. K. Sreepriya SEBI Registration No: INR000003753 CIN: U67120TN1998PLC041613	ICICI Bank Limited Address: Capital Market Division, 163, 5 th Floor, H.T.Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400020 Tel No.: 02268052182 Fax No.: 022-22611138 Contact Person: Sagar Welekar E-mail: sagar.welekar@icicibank.com / ipocmg@icicibank.com	
ISSUE OPENS ON	ISSUE PROGRAMME	ISSUE CLOSURES ON**
August 7, 2023	LAST DATE FOR MARKET RENUNCIATION*	August 18, 2023
	August 14, 2023	

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

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

#Equity shares which are offered through the rights issue are Maximum no. of shares will be issued.

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**SECTION I - GENERAL
DEFINITIONS AND ABBREVIATIONS**

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

Unless otherwise specified, the capitalized terms used in this Final Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications there to notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/chapters titled **“Industry Overview”**, **“Offer Document Summary”**, **“Financial Information”**, **“Statement of Special Tax Benefits”**, **“Outstanding Litigation and Material Developments”** and **“Issue Related Information”** on pages, 59, 18, 101, 56, 143 and 155 and respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/chapters.

GENERAL TERMS

Term	Description
“Vaxtex Cotfab Limited”, “VCL”, “Vaxtex” “our Company”, “the Company”, “the Issuer”	Vaxtex Cotfab Limited, a Public Limited Company incorporated under the Companies Act, 1956, having its registered office at J-03 (GF to 4 th Floor) Tejendra Arcade, Nr. Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmedabad – 380023, Gujarat.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.

COMPANY RELATED TERMS

Term	Description
“Annual Audited Financial Statements	The audited financial statements of our Company prepared under Ind AS for fiscal year 2021-22 and audited financial results for the quarter and year ended on March 31, 2023, prepared in line with Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
“Articles” / “Articles of Association” / “AOA”	Articles / Articles of Association of our Company, as amended from time to time.
“Auditor” / “Statutory Auditor”/ “Peer Review Auditor”	Statutory and peer review auditor of our Company, namely, M/s. SSRV & Associates, Chartered Accountants, Mumbai.
“Board”/ “Board of Directors”	Board of directors of our Company or a duly constituted committee thereof.
“Chief Financial Officer / CFO”	Mr. Pratapsingh Zala, the Chief Financial Officer of our Company.
“Company Secretary and Compliance Officer”	Ms. Vinita Keswani, the Company Secretary and the Compliance Officer of our Company.
“Director(s)”	The director(s) on the Board of our Company, unless otherwise specified.
“Equity Shareholder”	A holder of Equity Shares.
“Equity Shares”	Equity shares of our Company of face value of Re. 1/- each.
“Executive Directors”	Executive directors of our Company.
“Independent Director(s)”	The independent director(s) of our Company, in terms of Section 2 (47) and Section 149(6) of the Companies Act, 2013.
“Key Managerial Personnel(s)” / “KMP(s)”	Key Managerial Personnel(s) of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in this Final Letter of Offer.
“Memorandum of Association” / “MOA”	Memorandum of Association of our Company, as amended from time to time.
“Non-executive Directors”	Non-executive Directors of our Company.
“Non-Executive and Independent Director”	Non-executive and Independent Directors of our Company, unless otherwise specified.
“Promoter”	Mr. Mithleshkumar Agrawal, Mr. Khushant Gupta, M/s. Qmin Industries

	Limited (Formerly known as Qmin Pharma Private Limited) and M/s. Vax Enterprise Private Limited (Formerly known as Miracle Stores Private Limited) are the Promoters of our Company. For further details, see “ Our Management ” on page 90 of this Final Letter of Offer.
“Promoter Group”	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations, 2018.
“Registered Office”	The registered office of our Company located at J-03 (GF to 4 th Floor) Tejendra Arcade, Nr. Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmedabad – 380023, Gujarat.
“Registrar of Companies”/ “ROC”	Registrar of Companies, Gujarat situated at ROC Bhavan, Opp. Rupal Park, Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat.
Financial Statements	Standalone Financial Statements.
Standalone Financial Statements	Standalone Financial Statements of our Company for the Fiscal Year 2020 and 2021 and 2022 and Financial results for the quarter and year ended on March 31, 2023 prepared in accordance with the Companies Act and the SEBI ICDR Regulations. For details, see “ Financial Information ” on Page 101.
“Rights Issue Committee”	The committee of our Board constituted / designated for purposes of the Issue and incidental matters thereof.
“Shareholders/ Equity Shareholders”	The Equity Shareholders of our Company, from time to time.

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Right Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/Allotment/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, ICICI Bank Limited.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee (s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Final Letter of Offer, including an ASBA Investor.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in

	the ASBA Account.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renounees) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being, ICICI Bank Limited.
Bankers to the Issue Agreement	Agreement dated July 17, 2023 entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants / Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “Terms of the Issue” on page No. 155.
NSE	National Stock Exchange of India Limited.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs, which coordinate Bids under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at http://www.sebi.gov.in .
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father / husband, investor status, occupation and bank account details, where applicable.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. July 24, 2023. Please note that the investors who are eligible to participate in the Issue (exclude certain overseas shareholders). For further details, see “Notice to Investors” on page 12.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being, ICICI Bank Limited.
FII / Foreign Institutional Investors	Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended] registered with SEBI under applicable laws in India.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.
IEPF	Investor Education and Protection Fund.
ISIN	International Securities Identification Number.
Issue / Rights Issue	Upto 6,31,45,050 Equity Shares of face value of Re. 1/- each for cash at a price of Rs. 2/- (including a premium of Re. 1/-) per Rights Equity Share not exceeding an amount of Rs. 12,62,90,100/- on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 Rights Equity Share for every 2 Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date.
Issue Closing Date	Friday, August 18, 2023

Issue Opening Date	Monday, August 7, 2023
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their applications, in accordance with the SEBI ICDR Regulations.
Issue Price	Rs. 2/- per Rights Equity Share including Premium of Re. 1/- per Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Upto 6,31,45,050 Equity Shares of face value of Re. 1/- each for cash at a price of Rs. 2/- (including a premium of Re. 1/-) per Rights Equity Share not exceeding an amount of Rs. 12,62,90,100/-.
Letter of Offer / LOF	This letter of offer dated July 27, 2023 to be filed with the Stock Exchange and submitted with SEBI for information and dissemination.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see " Objects of the Issue " on page 48 of this Final Letter of Offer.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act, 2013.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renounees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Monday, August 14, 2023.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders shall be eligible to apply for Rights Equity Shares, being Monday, July 24, 2023.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) is opened, in this case being, ICICI Bank Limited.
"Registrar to the Issue"/ "Registrar"	CAMEO CORPORATE SERVICES LIMITED Subramanian Building, 1 Club House Road, Chennai - 600 002 Tel : +91 - 44 4002 0700 Email: rights@cameoindia.com Investor Grievance Email id: investor@cameoindia.com Website: https://rights.cameoindia.com/vaxtex Contact Person: Ms. K. Sreepriya SEBI Registration No: INR000003753 CIN: U67120TN1998PLC041613
Renounee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI-Rights Issue Circular, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements, which shall commence from the Issue Opening Date. Such period shall close on Monday, August 14, 2023 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date.
Retail Individual Bidders(s) /	An individual Investor (including an HUF applying through karta) who has

Retail Individual Investor(s) / RII(s) / RIB(s)	applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, being, Monday, July 24, 2023, 1 Rights Equity Share for every 2 Equity Shares held on the Record Date. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be allotted pursuant to this Issue.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021.
Self-Certified Syndicate Banks” or “SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.
Stock Exchanges	Stock exchange where the Equity Shares are presently listed, being NSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Days	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Gujarat are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid / Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Ahmedabad are open for business; and (c) the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. “Working Day” shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer.
CIN	Corporate Identification Number.
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
CSR	Corporate Social Responsibility.
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996.
DIN	Director Identification Number.
DP ID	Depository Participant's Identification Number.
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation.
EGM	Extraordinary General Meeting.
EPS	Earnings per share.
ESI Act	Employees' State Insurance Act, 1948.
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA.
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017.
Financial Year / Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
GDP	Gross Domestic Product.
GOI / Government	The Government of India.
GST	Goods and Services Tax.
HUF(s)	Hindu Undivided Family(ies).
ICAI	Institute of Chartered Accountants of India.
ICSI	The Institute of Company Secretaries of India.
IFRS	International Financial Reporting Standards.
IFSC	Indian Financial System Code.
Income Tax Act / IT Act	Income Tax Act, 1961.
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended.

Indian GAAP	Generally Accepted Accounting Principles in India.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended.
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number.
IT	Information Technology.
MCA	The Ministry of Corporate Affairs, GOI.
Mn / mn	Million.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. or NA	Not Applicable.
NAV	Net Asset Value.
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRI's including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent account number.
PAT	Profit after Tax.
Payment of Bonus Act	Payment of Bonus Act, 1965.
Payment of Gratuity Act	Payment of Gratuity Act, 1972.
RBI	The Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934, as amended.
Regulation S	Regulation S under the United States Securities Act of 1933, as amended.
SCRA	Securities Contract (Regulation) Act, 1956 of 1933, as amended.
SCRR	The Securities Contracts (Regulation) Rules, 1957 as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended.
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax.
State Government	The government of a state in India.
Trademarks Act	Trademarks Act, 1999.
TDS	Tax deducted at source.
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America.
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and this Final Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the "Issue Materials") will be sent / dispatched only to such public Eligible Equity Shareholders who have provided email address and who are located in jurisdictions where the offer and sale of the Rights Entitlement and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them, subject to compliance with relevant SEBI circulars / notices giving / extending relaxation in dispatch of physical issue material to those eligible equity shareholders who have not provided a valid email address to the Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue materials. Further, the Final Letter of Offer will be provided through e-mail by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access this Final Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchanges, subject to the applicable law.

Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company, subject to compliance with relevant SEBI circulars / notices giving / extending relaxation in dispatch of physical issue material to those eligible equity shareholders who have not provided a valid email address to the Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except in India. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Final Letter of Offer, or other Issue Materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Final Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer ("Restricted Jurisdictions") and, in those circumstances, the Final Letter of Offer or any other Issue Materials must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Final Letter of Offer, or any other Issue Materials should not distribute such document(s) to any person outside India where to do so would or might contravene local securities laws or regulations. If this Final Letter of Offer, or any other Issue Materials is received by any person in any Restricted Jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares. Rights Entitlements may not be transferred or sold to any person outside India.

Envelopes containing an Application Form should not be postmarked or otherwise dispatched from any Restricted Jurisdiction, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of these Rights Equity Shares in India.

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

SEBI has introduced the Concept of Credit of Rights Entitlements into the Demat Accounts of the Eligible Equity Shareholders, which can be renounced by them by way of On Market Renunciation or Off Market Renunciation. Further, the Credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made only in dematerialised Form.

The contents of this Final Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the purchase or sale of Rights Equity Shares or Rights Entitlements. Accordingly, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

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

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letter should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

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

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

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

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 to achieve Minimum Public Shareholding and RE’s shall be issued to eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023.

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 in order to achieve Minimum Public Shareholding. The Copy of this letter of Offer will be dispatch to the eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023

Certain Conventions

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

Unless otherwise specified or the context otherwise requires, all references in this Final Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Final Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise; all references to a year in this Final Letter of Offer are to a calendar year.

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

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Final Letter of Offer has been derived from our Financial Statements. For details, please see **“Financial Information”** on page 101. Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GOI has adopted the Indian accounting standards (**“Ind AS”**), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (**“IFRS”**) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the **“Ind AS Rules”**).

The Financial Statements of our Company for the Financial Year ended on March 2021 is prepared in accordance with Indian GAAP and Financial Year ended on March, 2022 prepared in accordance with the Ind AS Rules and as per Section 133 of the Companies Act, 2013 and other the relevant provisions of the Companies Act and financial statements in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI.

The Audited Financial Results of our Company for the Quarter and Year ended on March 31, 2023 is prepared in accordance with IND AS and as per Section 133 of Companies Act.

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

There are significant differences between Indian GAAP, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Final Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data.

Accordingly, the degree to which the financial information included in this Final Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Final Letter of Offer should accordingly be limited. For further information, see **“Financial Information”** on page 101.

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

Currency and Units of Presentation

All references to:

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

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

Exchange Rates

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

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

Currency	Rate	Exchange rate as on		
		March 31, 2022	March 31, 2021	March 31, 2020
1 USD	82.2169	75.8071	73.5047	75.3859
1 Euro	89.6076	84.6599	86.099	83.0496

(Source: RBI reference rate <https://www.fbil.org.in/#/home>)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Final Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Final Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “**Risk Factors**” on page 25 of this Final Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD - LOOKING STATEMENTS

Certain statements contained in this Final Letter of Offer that are not statements of historical fact constitute 'forward- looking statements'. Investors can generally identify forward-looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'future', 'forecast', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'target', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward- looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Final Letter of Offer that are not historical facts.

These forward-looking statements contained in this Final Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward- looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- General political, social and economic conditions in India and other countries;
- Regulatory changes and the Company's ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Technology changes;
- Change in domestic and foreign laws, regulations and taxes and change in the competition in the industry;
- Fluctuation of the operating cost;
- Company's ability to attract and retain qualified personnel;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- Strikes or work stoppages by our employees or contractual employees;
- Increasing competition in, and the conditions of, the industry;
- Failure to undertake projects on commercially favorable terms;
- Changes in government policies, including introduction of or adverse changes in tariff or non-tariff barriers, foreign direct investment policies, affecting the retail industry generally in India;
- Accidents and natural disasters; and
- Other factors beyond our control.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Position and Results of Operations**" beginning on pages 25, 65 and 139, respectively, of this Final Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as at the date of this Final Letter of Offer and are not a guarantee or assurance 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. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our

Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors, nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Final Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Final Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SECTION-II OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled “**Risk Factors**”, “**The Issue**”, “**Capital Structure**”, “**Objects of the Issue**”, “**Our Business**”, “**Industry Overview**”, “**Outstanding Litigation and Material Developments**” and “**Terms of the Issue**” on pages, 25, 40, 46, 48, 65, 59, 143 and 155 respectively.

Our Company

Our Company was incorporated as “Foolproof Vyapaar Private Limited” at Kolkata, West Bengal as a Private Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 26, 2005 bearing Corporate Identification Number U51109GJ2005PTC076930 issued by Registrar of Companies, Kolkata, West Bengal. Consequent the name of the Company was changed from “Foolproof Vyapaar Private Limited” to “Vaxtex Cotfab Private Limited” as approved by shareholders of our Company pursuant to a special resolution dated December 18, 2015 and Certificate of Incorporation was issued by Registrar of Companies Ahmedabad, Gujarat dated December 30, 2015. Consequent upon the conversion of our Company to public limited company and as approved by the shareholders of our company pursuant to a special resolution dated March 05, 2018, the name of our Company was changed to “Vaxtex Cotfab Limited” and fresh certificate of incorporation dated March 21, 2018 was issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company is L51109GJ2005PLC076930.

Summary of Our Industry

Our Company was incorporated in the year 2005 and the promoters of our Company are Mr. Khushant Gupta, Mr. Mithleshkumar M. Agrawal, M/s. Qmin Industries Limited (*Formerly known as Qmin Pharma Private Limited*) and M/s. Vax Enterprise Private Limited (*Formerly known as Miracle Stores Private Limited*) and member of the promoter group of our Company is Ms. Bharti Kailash Gupta. Mr. Mithleshkumar Agrawal is Promoter and Managing Director, who has an experience of more than 10 years in textile industry and is the guiding force behind all the strategic decisions of the Company. The wide experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We believe that our market position has been achieved by adherence to the vision of our Promoters and well supported by qualified and experienced management at different levels with appropriate functional responsibilities.

We are engaged in the business of Textile processing of fabric and trading. Our Company is engaged in the Processing (dyeing and finishing) of grey fabrics for shirting, suiting, and other accessories and also on outsourcing basis for other fabric / garment companies. We have an installed capacity of 12,00,000 mtrs / month for processing of various fabrics from natural and man-made fibres specializing in 100% cotton, Giza & Supima cotton blended fabrics, polyester viscose and polyester cotton. Our Company procures Grey fabrics and process it into Finish Fabric as per the client’s requirement.

Earlier, prior to 2017, our company was involved in trading business of fabric. We were used to buy ready fabrics and sell into market. In the year 2017, our Company procured machines with latest technology for processing of fabrics and also consequently increased our installed capacity.

We process various fabrics like 100% Cotton – Lycra and Non-Lycra, Blended Cotton Suiting – Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed, Polyester Viscose, Terry Rayon Suiting and Mock Linen. Our Company also undertakes corporate orders for Finished Fabrics for corporate brands. At our processing unit we do the process of Dyeing and finishing of fabrics which is termed as finished fabric and is ready to use for processing. Further finished fabrics are folded, checked and packed as per client’s requirement. Than the packed fabrics are directly sent to our Storage unit or are delivered to client’s go down.

We had already acquired the factory building at Rakhial having area of 18540.99 sq. yard mtr and we are under the process of setting up a manufacturing unit with the capacity of 30,000 units and for the same the Company’s requirement of Plant & Machinery and Incremental Working capital is proposed to be catered from this Issue (‘Rights Issue’).

We have a dedicated in-house Testing and Quality Control Team which undertakes rigorous testing and quality management. We have dedicated semi-automatic and manual testing machines. Our Testing and QC team coupled with our testing equipment's ensure the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

Location

Registered Office:

Our registered office is situated at J-03 (GF to 4th Floor) Tejendra Arcade, Nr. Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmedabad – 380023, Gujarat. For further reference please see chapter titled “*Our Business*” on page No. 65 of this Final Letter of Offer.

Our Strengths:

❖ Management Expertise

One of our Promoters, Mr. Mithleshkumar Agrawal is engaged in the textiles business for the more than 10 years, and has a proven background and rich experience in the textile industry. For further details of our Promoters' experience and background, please refer the chapter titled “Our Management” on page no. 90 of this Final Letter of Offer. With the combined business acumen and innovative approach, our Promoters have over the years, expanded our scale of operations. Our Company is managed by a team of experienced and professional personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team's experience and their understanding of the textiles business will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent to our business, including significant competition, reliance on independent agents, and fluctuations in textiles prices.

❖ Established Marketing Setup and Diversified Customer Base

Our Company was incorporated in the year 2005 and presently we are engaged in the manufacturing fabrics and trading of finished fabric. We have an efficient sales & marketing team. The marketing team consists of well experienced and qualified people to develop maintain and increase relations with our customers. Our marketing team also plays an important role in the development of new products based on their study and feedback on latest industrial needs. We maintain our customer relations by meeting them personally and suggesting them value added propositions.

❖ Strategic Location of Manufacturing and Utility Units

Our Company is planning to establish manufacturing unit in the State of Gujarat. Manufacturing unit is strategically located with the following benefits:

- We had already acquired the factory building at Rakhial having area of 18540.99 sq. yard mtr and we are under the process of setting up a manufacturing unit with the capacity of 30,000 units and for the same the Company's requirement of Plant & Machinery and Incremental Working capital is proposed to be catered from this Issue ('Rights Issue').
- Raw materials are sourced locally and are easily available and / or deliverable from the manufacturers located in Gujarat to our Unit as majority of our suppliers has nationwide reach. Thus, procurement of raw materials is less time consuming and comparatively cheaper due to savings on time and freight.
- Skilled and semi-skilled workers are easily available in Rakhial, Ahmedabad district, Gujarat in view of the large number of existing and upcoming Textile industries / sectors in these areas.
- Government has created various infrastructural facilities conducive for growth of all manufacturing companies.

❖ Cordial Relationship between management and labour

We enjoy cordial relations with our employees and there has been no union of employees. Further, there have been no strikes, lock-out or any labour protest in our organization since inception.

❖ **Strong Technological Capabilities**

We use latest technology and machinery procured from major suppliers/distributors in India. We have installed latest machineries like Dyeing Jigger, 8-chamber stunter, Mercariser, Double zero, etc. which are capable of Dyeing fabrics in different Styles and Finishing in different Styles, designs and patterns.. Even the folding and packing processes are carried on latest machines which guarantee quality check and precision. These modern machineries also help us in maintaining high quality standards and thus retain various national and multi- national customers. The latest technology enables radical design and innovation in creating new looks and new trends. Technology has helped us in rolling out new combination of designs and prints.

❖ **Consistency in Quality and Service Standards**

We follow stringent quality standards in our manufacturing unit to ensure that our products meet required customer standards. These standards ensure the quality consistency of the manufactured product by ensuring that we employ well trained staff, have sufficient premises and equipment for manufacturing.

We have an in-house testing and quality control mechanism having automatic / semi-automatic and mechanical checking machines, operated by skilled operators, under proper quality control and strict supervision. We have Rolling cum checking machines at both our manufacturing and packing & storing units.

❖ **Scalable Business Model**

Our business model is order driven, and comprises of optimum utilization of our manufacturing, processing and trading facilities, maximum capacity utilization, developing linkages with quality raw material suppliers and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the potential development possibilities of new markets both international and domestic, by adopting aggressive marketing of the product, innovation in the product range and by maintaining the consistent quality of the product.

❖ **Product mix and Market mix**

Our Company deals in a range of products like Shirting fabrics, Suiting Fabrics, Trouser fabrics, jacketing fabrics and Other Accessories etc. Our extensive product portfolio of 100% Cotton – Lycra and Non-Lycra, Giza, Supima, Blended Cotton Suiting – Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed, Polyester Viscose, Terry Rayon Suiting and Mock Linen has given us immense opportunity to expand and explore new markets. These products have wide scale applications not only in the ready-made garment industry but also in various fashion accessories and footwear.

❖ **Cost effective production and timely fulfillment of orders**

Timely fulfillment of the orders is a prerequisite in our industry. Our Company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve greater cost efficiency. These steps include identifying quality Dyes, Chemicals and grey cloth suppliers (which forms a bulk of our raw material cost), smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers.

Our Company has also enjoyed good relations with our suppliers of Dyes, Chemicals and grey cloth which is the primary raw material for our products and as a consequence has had the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfillment of orders of our customers. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

❖ **Our SWOT can be briefly summarized below:**

Strengths	Weakness
<ul style="list-style-type: none"> • Experienced Promoters. Running Project. • Superior Product Quality for shirting/suiting collection. 100 % Fine Cotton. • Sound Financial Background • Strategic Locational advantage 	<ul style="list-style-type: none"> • Underutilization of Capacity • More Reliability on job work activities • Dependency on suppliers for product availability
Opportunities	Threats
<ul style="list-style-type: none"> • Large demand • Capability to expand into value added Products • Government incentive/subsidy for growth of textile sector 	<ul style="list-style-type: none"> • Competition • No entry barriers in our industry which puts us to the threat of competition from new entrants • Raw material price fluctuation • Water scarcity • Electric Power cut • Pollution restrictions

Business Strategy:

Our strategic objective is to improve and consolidate our position as a Textile manufacturing Unit with a continuous growth philosophy. The diagram below represents our continuous growth philosophy being implemented on a day-to-day basis. Our continuous growth philosophy is being driven with the strategic levers of operational excellence, strengthening existing services, customer satisfaction, ecosystem development, innovation and marketing.

❖ **Increasing Operational efficiency**

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, QC / QA activities, customer service, consistent quality and technology development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is wide spread among all the employees.

❖ **Expand Our Geographical network**

Our historically developed distribution in domestic market has been critical to our growth. We intend to continue developing and nurturing existing market, and create new distribution channels in under and non-penetrated geographies. We aim to further develop our domestic sales networks in those territories where there are lower transportation costs and those which have a significant demand of our products, where we can sell at price-points that can effectively offset higher transportation costs. Such expansion plans are intended to be effected by in-house examination of the market potential of various territories and our available distribution network in such geographies.

❖ **Enhance our Designing and Creativity**

Our Company has always been driven by the quest to develop a new trend and constantly strives to develop better products which appeal to our constantly growing customer base. Also our company provides mix and match fabric to attract our customers and dealers. Our Company's forte lies in its ability to translate its vision into realities using, technology and personnel who successfully supervise each new venture undertaken.

❖ **Optimal Utilization of Resources**

Our Company constantly endeavours to improve our service process, and will increase manufacturing process 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 analyse our existing policies to be carried out for operations of our Company which

enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

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

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

Our Promoters:

A. Individual Promoters:

Mr. Khushant Gupta
Mr. Mithleshkumar M Agrawal

B. Individual Members of Promoters Group:

Mrs. Bharti Kailash Gupta

Mr. Sanjaykumar P. Agrawal and Ms. Kresha Kailash Gupta have been reclassified from 'Promoter and Promoter Group' to 'Public Category' vide Approval letter No.: NSE/LIST/295 dated July 17, 2023.

C. Non-individual Promoters:

M/s. Qmin Industries Limited (Formerly known as Qmin Pharma Private Limited)
M/s. Vax Enterprise Private Limited (Formerly known as Miracle Stores Private Limited)

Objects of the Issue

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(Rs. In Lakhs)

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue	Estimated deployment in FY 2024-25	Estimated deployment in FY 2025-26
1.	Funding the incremental working capital requirements	1050.04	1050.04	-
2.	Purchase of Plant & Machinery	157.86	157.86	-
	Net Proceeds*	1207.90	1207.90	-

^Any portion of the Net Proceeds not deployed for the stated Objects in FY 2023-24 will be deployed by our Company in FY 2024-25.

**Assuming full subscription and Allotment with respect to the Rights Equity Shares.*

For further details, please see chapter titled “**Objects of the Issue**” beginning on page 48 of this Final Letter of Offer.

1. Intention and extent of participation by Promoter and Promoter Group

The Promoters vide their letter dated June 07, 2023, have, indicated their intention to subscribe, jointly and / or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter(s) or member(s) of the Promoter Group of our Company subject to availability of funds. For further details, please see the chapter titled “Capital Structure” beginning on page 46 of this Final Letter of Offer.

2. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter, our Directors and our Group Companies is provided below:

Sr. No.	Particulars	Number of cases outstanding	Amount involved in such proceedings (Rs. In Lakh)
1.	Litigation Involving Our Company		
i.	Litigation against our Company		
a)	Criminal proceedings	NIL	NIL
b)	Civil Proceedings	1	NA
c)	Actions taken by Statutory/ Regulatory Authorities	2	0.36
d)	Tax Proceedings	NIL	NIL
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
ii.	Litigation by our Company		
a)	Criminal proceedings	NIL	NIL
b)	Civil and other Material Litigations	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax Proceedings	1	248.30
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
2.	Litigation Involving Our Promoters		
i.	Litigation against our Promoters		
a)	Criminal proceedings	NIL	NIL
b)	Civil Proceedings	1	NA
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax Proceedings (including interest)	1	0.34
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
ii.	Litigation by our Promoters		
a)	Criminal proceedings	NIL	NIL
b)	Civil Proceedings	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax Proceedings (including interest)	NIL	NIL
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
3.	Litigation Involving Our Directors		
i.	Litigation against our Directors		
a)	Criminal proceedings	NIL	NIL
b)	Civil Proceedings	NIL	NIL
c)	Actions taken by Statutory/ Regulatory	NIL	NIL

	Authorities		
d)	Tax Proceedings (including interest)	NIL	NIL
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
i.	Litigation by our Directors		
a)	Criminal proceedings	NIL	NIL
b)	Civil and other Material Litigations	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax Proceedings (including interest)	NIL	NIL
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
4.	Litigations involving our Group entities		
a)	Tax Proceedings (including interest)	4	34.38

For further details, please see the chapter titled “**Outstanding Litigation and Material Developments**” beginning on page 143 of this Final Letter of Offer.

3. Risk Factors

Please see the chapter titled “**Risk Factors**” beginning on page 25 of this Final Letter of Offer.

4. Summary of Contingent Liabilities

For details, see “**Financial Information**” on page 101 of this Final Letter of Offer.

5. Summary of Related Party Transactions.

For details of the related party transactions and as reported in the Financial Statements, see “**Financial Information**” on page 101 of this Final Letter of Offer.

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

The Company has allotted 2,58,98,470 equity shares on preferential basis in the Board meeting held on 21st February, 2023 to person belonging to Non-promoter Group.

7. Split/ Consolidation of Equity Shares in the last one year.

There has been Sub-division / Split of each existing 1 (One) equity share having face value of Re. 2/- (Rupees Two Only) each into 2 (Two) equity shares having face value of Re. 1/- (Rupee One Only) each.

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 to achieve Minimum Public Shareholding and RE’s shall be issued to eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023.

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 in order to achieve Minimum Public Shareholding. The Copy of this letter of Offer will be dispatch to the eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023.

SECTION III – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Final Letter of Offer, including the risks and uncertainties described below and the “Financial Information” on page 101, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 65, 59 and 139 respectively, as well as the other financial information included in this Final Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

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

This Final Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Final Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see “Forward Looking Statements” on page 16.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Standalone Financial Statements included in this Final Letter of Offer. For further information, see “Financial Information” on page 101.

Materiality

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

Some events may have material impact quantitatively;

Some events may have material impact qualitatively instead of quantitatively.

Some events may not be material individually but may be found material collectively. Some events may not be material at present but may be having material impact in future.

INTERNAL RISK FACTORS

1. There are outstanding legal proceedings involving our Company which may adversely affect our business, financial condition and results of operations.

There are outstanding legal proceedings involving our Company. These proceedings are pending at different levels of adjudication before various courts, enquiry officers and appellate forums. Such proceedings could divert management time and attention and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. A summary of the outstanding proceedings against our Company as disclosed in this Final Letter of Offer, to the extent quantifiable, have been set out below:

Sr. No.	Particulars	Number of cases outstanding	Amount involved in such proceedings (Rs. In Lakh)
1.	Litigation Involving Our Company		
i.	Litigation against our Company		
a)	Criminal proceedings	NIL	NIL
b)	Civil Proceedings	1	NA

c)	Actions taken by Statutory/ Regulatory Authorities	2	0.36
d)	Tax Proceedings	NIL	NIL
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
i.	Litigation by our Company		
a)	Criminal proceedings	NIL	NIL
b)	Civil and other Material Litigations	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax Proceedings	1	248.30
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
2.	Litigation Involving Our Promoters		
i.	Litigation against our Promoters		
a)	Criminal proceedings	NIL	NIL
b)	Civil Proceedings	1	NA
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax Proceedings (including interest)	1	0.34
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
i.	Litigation by our Promoters		
a)	Criminal proceedings	NIL	NIL
b)	Civil Proceedings	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax Proceedings (including interest)	NIL	NIL
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
3.	Litigation Involving Our Directors		
i.	Litigation against our Directors		
a)	Criminal proceedings	NIL	NIL
b)	Civil Proceedings	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax Proceedings (including interest)	NIL	NIL
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
i.	Litigation by our Directors		
a)	Criminal proceedings	NIL	NIL
b)	Civil and other Material Litigations	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax Proceedings (including interest)	NIL	NIL
e)	Other Material Litigations	NIL	NIL
f)	Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	NIL	NIL
4.	Litigations involving our Group entities		
a)	Tax Proceedings (including interest)	4	34.38

Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition.

2. *Our process involves the use of hazardous industrial chemicals which entails significant risks and could also result in enhanced compliance obligations.*

Though the grey fabric is basic raw material we require and chemicals for processing of finished fabrics. During the time of processing of fabrics, we need to use various hazardous industrial chemicals such as Caustic Flakes, Soda Ash, Hydro, Sodium Sulphate etc. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the time of process may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. Any such event would in addition to adversely affecting our reputation also temporarily reduce our manufacturing capacity which could adversely affect our business, results of operations and reputation.

3. *Our operations requires the workers to work under potentially dangerous circumstances. Our operations require us to use Boiler to produce steam. These activities can be extremely dangerous and any accident could cause serious injury to people or property and in certain circumstances, even may be fatal and this may adversely affect our production schedules, costs, sales and ability to meet customer demand.*

Our operations requires our workers to work under potentially dangerous working conditions. Our operations require us to use Boiler to produce steam. Steam is used for processing, dyeing, drying, printing, heating the equipment and maintaining the temperature of system. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling or any adverse incident related to the use of Boiler may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. Any such event would in addition to adversely affecting our reputation also temporarily stop the production, which could adversely affect our business, results of operations and reputation.

4. *Our Company undertakes job work activities which exposes us to loss in case of Rejection of finished Material.*

We engage in job work activities on behalf of our principal employer. The material we process and supply undergo under stringent quality checks. We have in the past faced rejection of material on several occasions which exposes us to risk of additional losses. We may not be able to deliver the requisite quality of goods and may face rejections in future as well, which in turn would affect our revenue, financials and cash flows of the Company.

5. *Any failure in our quality control processes may have an adverse effect on our business, results of operations and financial condition. We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations.*

Our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from the design or manufacture of the product or raw materials used in the product. We have implemented quality control processes and regularly conduct inspections of raw materials sourced from suppliers and finished products manufactured by job workers on the basis of our internal quality standards. However, we cannot assure you that our job workers will always adhere to such standards and that our quality control processes will not fail or the quality tests and inspections conducted by us are accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality assurance procedures, negligence, and human error or otherwise, may damage our products and result in deficient products. We have, from time to time, exchanged products sold to our customers due to quality defects, or otherwise, in accordance with our exchange and returns policy. In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products, we may be required to recall or exchange such products at additional cost to us and our reputation may be impacted, which in turn may adversely affect our business, results of operations and financial condition.

6. *Substantial portion of our revenues has been dependent upon our few clients. The loss of any one or more of our major clients would have a material effect on our business operations and profitability.*

Our customers include various distributors that market our products, direct sellers, wholesalers, fabric traders and also large corporate houses. For the period ended on March, 2023, our top ten clients accounted for approximately 91.39% of our gross revenue from operations. The loss of any significant client would have a material effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients/distributors or that we will be able to replace these clients/distributors in case we lose any of them. Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, impacting our income and financial condition.

7. *Our top suppliers contributes major portion of our total raw material purchases. Any disruption in supplies from them may adversely affect our production process.*

Our top 10 suppliers contributes around 98.50% of our total Raw material purchases for period ended March 31, 2023. We do not have any formal agreement with our raw material suppliers. Though we maintain good relations with them, there can be no assurance that we shall be able to continue such relations with any or all of them. Any disruption in supplies from these parties may require us to find additional suppliers. There can be no assurance that we shall be able to find additional suppliers in time or transact business with them on favorable terms and conditions or the quality of products supplied by these suppliers will be at par with those of our existing suppliers. Since such suppliers are not contractually bound to deal with us exclusively, we may face the risk of losing their services to our competitors. Any disruption in supplies from our suppliers due to inexistence of contracts may adversely affect our production process, trading activity and consequently our results of operations.

8. *Raw materials constitute a significant percentage of the Company's total expenses. Particularly, any increase in Grey Fabric prices and any decrease in the supply of Grey Fabric would materially adversely affect the Company's business.*

Raw materials constitute a significant percentage of the total expenses of the Company. Raw materials costs accounted for 86.14% of total expenses for period ended on March, 2023 respectively. The primary raw material used by the Company is Grey Fabric. Though the grey fabric is basic raw material we require other dyes and chemicals for manufacturing finished fabrics. We are therefore, entirely dependent on external suppliers for the raw materials which constitutes a majority of the total cost of raw materials for our processing operations. The prices of Grey Fabric depend largely on the market prices of the various yarns and cotton, which are the raw material for manufacture of grey fabric. However, any adverse fluctuations in the price which we may not be able to pass on to our customers could have a material adverse effect on our total cost of production. Further, any material shortage or interruption in the supply or decrease in quality of these raw materials could also adversely impact our business operations.

9. *Substantial Non-Operational Loans & Advances have been provided to the parties by our company.*

We have provided substantial Loans & Advances, which are not directly related to the core business operations of the company. We will not have recourse to any security to recover the same. We may not be able to recover the outstanding amounts under the loans and advances. Further, we may also provide similar loans and advances in future as well. There is no assurance that we would be able to recover them fully and it may adversely affect our financial condition.

10. *We generate our entire sales from our operations in certain geographical regions especially Gujarat and any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.*

As on date of the Final Letter of Offer, our Company is executing orders majorly in Gujarat. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in this region to expand our operations in other parts of India and overseas markets, should we decide to further expand our operations.

Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in this region, and our experience in such region may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local contractors, farmers, relevant government authorities, and who have access to existing waste sources or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand at other locations may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face as an early-stage company and should not rely on our results of operations for any prior periods as an indication of our future performance.

11. We do not have any long-term agreement or contract for supply of Grey Fabric and Dyes, Chemicals, coal, or any other raw material used in our manufacturing unit or other service providers due to which we may face disruptions in supply from our current suppliers or service providers and are also exposed to price and supply fluctuations for our raw materials.

We are, to a major extent, dependent on external suppliers for our raw materials requirements and we do not have any long-term supply agreements or commitments in relation to the same or for any other raw materials used in our manufacturing process and typically transact on an invoice basis for each order. There can be no assurance that there will not be a significant disruption in the supply of raw materials or finished products from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of materials or third party manufacturers of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labour and other ethical practices. Consequently, we are also exposed to price fluctuations in dyes, chemicals, coal or other raw materials, and these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition.

In case of non-availability of raw materials on favorable terms, we may have to procure the same at the terms and conditions prevalent at that point. This will result in reducing our revenues by a considerable amount due to shortage of raw material or due to inability to procure the same. Further, unfavorable terms of raw materials may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business. We may have to put on hold any expansion plans and our future growth will be severely stunted. Any delay, interruption or increased cost in the supply of dyes, chemicals, coal or other raw material arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term.

12. Our Company has not entered into any long-term contracts with most of its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.

Our Company has had long standing business relationships with certain customers and has been supplying our products to such customers for several years. However, we have not entered into any contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, fluctuation in demand for our Company's products and customer's inventory management.

Although we place a strong emphasis on quality, timely delivery of our products and after sales service such as feedback on the trends in their market, personal interaction by the top management with the customers, etc., in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

13. Our Company does not enter into any binding agreement with its Contract Labours.

As on current date, in addition to our full-time employees, we engage contract labour for our manufacturing process. Our operations and performance are labour intensive and depends on our ability to identify, attract and retain both skilled and unskilled labour. In case such labour is unavailable or we are unable to identify and retain such labourers our business could be adversely affected. We have not entered into any agreement for hiring contract labourers and thus availability of appropriately skilled labour cannot be guaranteed. Any failure to hire the appropriate labour may impact the operations and impair our client relations.

14. We have significant power requirements for continuous running of our factories and as the connection is attached to the property, certain things are beyond the control of our promoters and directors. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in power tariffs may have an effect on our business, results of operations and financial condition.

Our factories, godown and offices have significant electricity requirements and any interruption in power supply to our factories, godown and offices may disrupt our operations. Our business and financial results may be affected by any disruption of operations. We depend on third parties for all of our power requirements and currently source the same from Torrent Power. Since we have significant power consumption, any unexpected or significant increase in its tariff can increase the operating cost of factories, godown and offices and production cost which we may not be able to pass on to our customers. There are limited number of electricity providers in area from where we operate due to which in case of a price hike we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition and results of operations.

15. *We rely significantly on our Dealers or Distributors and Agents network in open market for sale of our products.*

We sell our products in open market through our network of Commission Agents / Distributors. Furthermore, our business growth depends on our ability to attract additional dealerships / distributorships to our network. While, we believe that we have good relations with our agents / distributors but there is no assurance that our current agents / distributors will continue to do business with us or that we can continue to attract additional dealers / distributors to our network. If we do not succeed in maintaining the stability of our dealership / distributorship network, our market share may decline materially affecting our results of operations and financial condition.

16. *We are dependent on third party transportation providers for the delivery of raw materials and products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects.*

We use third party transportation providers for the supply of most of our raw materials and for delivery of our products to our customers. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. Non-availability of ships, barges, trucks and railway cars could also adversely affect our receipt of raw materials and the delivery of our products.

In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.

In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

17. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.*

Modernization and technology up-gradation is essential to provide better quality product. Although we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations. Our failure or inability to incorporate any change in technology might place our competitors at an advantage in terms of costs, efficiency and timely delivery of the final products.

18. *Conflicts of interest may arise out of common business undertaken by our Directors, our Promoters and Group Entities.*

Our Group Entities is carrying out business similar to that of our Company. As a result, conflicts of interests may arise in allocating business opportunities in our Company. There can be no assurance that our Group Entities 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.

19. *Our success depends heavily upon our Director and Senior Management for their continuing services, strategic guidance and financial support.*

Our success depends heavily upon the continuing services of Mr. Mithlesh Agrawal and, who is the natural person in control of our Company. Mr. Mithlesh Agrawal, currently serves as our Managing Director and also plays a pivotal role in the production and marketing areas, respectively. Our reputation of timely delivery and quality of products has helped us retain our clients. Our MD, Mr. Mithlesh Agrawal is actively involved in maintaining our existing customers.

We believe that our relation with our Promoters, Directors and CFO, who have rich experience in business, developing markets, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We receive benefit from our relationship with our Promoters, Directors and our success depends upon the continuing services of our Promoters and Directors who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business.

Further, we also depend significantly on our Key Managerial Persons for executing their day to day activities. If our Promoters / Directors or any member of the senior management team is unable or unwilling to continue in his present position, our business, financial condition, results of operations and prospects may be materially and adversely affected.

20. *Our Company if not able to manage our growth or to successfully implement our business plan could have an effect on our business, results of operations and financial condition.*

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on Optimal Utilization of Resources and to develop relationships with customer and suppliers and we may not be able to execute our strategies in the future. For further details, see the section titled “***Our Business – Our Strategies***” on page no. 65 of this Final Letter of Offer. Our success in implementing our growth strategies may be affected by:

- i. Our ability to identify new markets to expand;
- ii. Our ability to maintain the quality of our products;
- iii. Changes in the Indian regulatory environment in field of Textiles

Any of these factors could impact our results of operations. If our Company is not able to execute our strategy on time and within our estimated budget, or that our expansion and development plans fail to generate the required results, it may adversely impact our profitability. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long term business outlook. Further, we operate in a highly dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes in trends and fashions and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Our inability to implement our business strategies and sustain our growth may impair our financial growth and thus result in an adverse impact on our Company’s share price.

21. *The operations of our Company are subject to manufacturing risk and may be disrupted by failure in the facilities. These liabilities and costs could have a material adverse effect on our business, results of operations and financial condition.*

Due to the nature of the business we are required to be compliant with requisite safety requirements and standards. Our manufacturing facilities are subject to operating risk arising from compliance with the directives of relevant government authorities. The operations of our Company are also subject to operating risks, such as breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, earthquakes and other natural disasters and industrial accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment and environmental damage. Such operating risks may result in non-compliance with government regulations, property damage and personal injury which may result in the imposition of civil and criminal penalties, which may adversely affect public perception about our operations and the perception of our suppliers, clients and employees.

22. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.*

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions, may result in the postponement of the delivery of products or cause its cancellation. Further, the order could be rejected or sometime we need to do some modification as per requirement of the customers. Accordingly, it is difficult to predict with certainty if, when, and to what extent we may be able to deliver the orders placed. Failure to deliver products on time could lead to customers delaying or refusing to pay the amount, in part or full, which may adversely affect our business. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, delay or default in payment with regard to the orders placed with us, or any material disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Many of our orders involve providing services that are critical to the operations of our customers business. Any failure or defect in services could result in a claim against us for substantial damages, regardless of our responsibility for such a failure or defect. Although our Company is attempting to limit its contractual liability for all the damages, including consequential damages, while rendering the services, our Company cannot be assured that the limitations on liability it provides for, in the service contracts will be enforceable in all cases. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial

condition and results of operations.

23. *Any changes in regulations or applicable government incentives would adversely affect the Company's operations and growth prospects.*

The GOI has provided several incentives to the textile sector, from which our Company may benefit, including the TUFs interest and capital subsidies. These incentives could be modified or removed at any time, or new regulations could be introduced applicable to our Company's business, which could adversely affect our Company's operations and financial results. Our Company is also subject to various regulations and textile policies, primarily in India. Our Company's business and prospects could be adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for its operations or that compliance issues will not be raised in respect of its operations, either of which would have a material adverse effect on the Company's operations and financial results.

24. *We do not hold any intellectual property protection in relation to our manufacturing processes.*

The composition of cotton, yarn and fabric and the general manner in which they are produced are well-known and well-established. As a result, our research and development efforts are primarily directed towards developing new and more efficient production processes that are typically applicable to the current range of products we manufacture. Like many of our competitors, we possess extensive technical knowledge about our products. Our know-how is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. We employ a high level of automation in our production processes, which result in high productivity and quality.

We also rely in part on mutual trust for protection of our trade secrets and confidential information relating to our manufacturing processes. It is our policy to take precautions to protect our trade secrets and confidential information against breach of trust by our employees, consultants, customers and suppliers and we have written confidentiality agreements with our employees. However, it is possible that unauthorized disclosure of our trade secrets or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets and confidential information.

Our manufacturing processes may not be eligible for intellectual property protection and others may be able to use the same or similar automation in production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition and results of operations.

25. *Compliance with, and changes in, safety, health and environmental laws and related laws and regulations impose additional costs and may adversely affect our results of operations and our financial condition.*

We are subject to a broad range of safety, health and environmental laws and related laws and regulations in the jurisdictions in which we operate, and may also be required by our clients to meet certain additional criteria with respect to safety, environment, health and labour. Such safety, health and environmental laws and regulations impose controls *inter alia* on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations and products. While we believe we are currently in compliance in all material respects with all applicable safety, health and environmental laws and regulations, the discharge of our or such third parties' raw materials that are chemical in nature or of other hazardous substances or other pollutants into the air, soil or water may nevertheless cause us to be liable to the Government of India or other governments where we operate or to third parties. The scope and extent of any new environmental, health and safety regulations, including their effect on our operations and cash flows, cannot be predicted with certainty. The cost and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by Government authorities and our compliance cost may significantly exceed our estimates. Penalties imposed by regulatory authorities on us or on third parties upon whom we depend on may also disrupt our business and operations. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties or close down the production facilities for non-compliance. We cannot assure you that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future.

Further, we are subject to various regulations and textile policies, primarily in India. Our business, operations and growth prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which would have a material adverse effect on our business, financial condition and results of operations.

26. Our Company has availed unsecured loan which are repayable on demand. Any demand from the lenders for repayment of such unsecured loan may affect our cash flow and financial condition.

Our Company, as per the Audited Financial Statement as on 31st March, 2023, has availed total sum of ₹503.62 lakhs as unsecured loan, which may be recalled at any time. Sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer the chapter “Financial Information” on page no. 101 of this Final Letter of Offer. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

27. We constantly face a credit risk which may in turn affect our complete buying cycle adversely.

As a textile manufacturing and trading Company, our primary competence is the ability to manufacture, finish and market our textile products for various consumer segments, and hence exploit the benefits of variety, economies of scale and credit shortage in the textile trade. Our requirement of working capital is high mainly due to our ability to procure and store sufficient amounts of raw materials and finished goods, thus relieving our units with disruptions and work stoppages. Once the production process is complete, we are required to give sufficient credit period to our customers in order to maintain our customer relations and competitiveness. Our Debtors turnover period is an average approximately 53.09 days while our Creditors turnover period ranges in approximately 87.95 days leading to a considerable working capital gap.

Our aforementioned buying cycle is heavily dependent on timely payments being received from our customers. If there is a default in payment from any of our customers or there is any unforeseeable delay in payment, our working capital cycle will be adversely affected. This may lead to our inability to maintain our inventories and thus lack the competitive advantage against various other manufacturers leading to an adverse effect on our business operations and profitability.

28. Our Company depends on timely identification of evolving fashion trends and creating new designs. Any lag on the part of our Company in this regard may adversely affect our business operations.

The key success factor in the textiles business is in creating appealing designs and colour combinations to create buyer appeal. In order to be in line with this success factor, we maintain a team of in house designers who design and develop the products as per customer’s needs. This team works on the development of designs by analysing the needs of clients by parameters like latest dyeing combinations, new printing techniques & patterns and most importantly the feedback gained from the sales of the similar products that were designed earlier. Our inability to tap the changing fashion can lead to rejection and obsolescence of our textiles thus damaging goodwill, business operations and financial conditions. It is very important for the designing team and also the Company’s management to have a good understanding of the trends prevailing in that particular country.

29. Our funding requirements and deployment of the issue proceeds are based on management estimates and actual cost may vary compared with the estimated amount.

Our funding requirement and deployment of the proceeds of the issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by banks or financial institutions and are based on our estimates. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change as a result of various factors which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the working capital limits maintained from time to time at the discretion of our board. In addition, schedule of implementation as described herein are based on management’s current expectations and our subject to change due to various factors some of which may not be in our control. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee.

30. Our business is dependent on our operating facilities. The loss or shutdown of our facilities could have a material adverse effect on our business, financial condition and results of operations.

Our facilities at Ahmedabad are subject to operating risks, such as shutdowns due to the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, adequate utilisation rates, obsolescence of equipment, labour disputes, strikes, lockouts, industrial accidents, disruption by extremist groups, or any other reason, and the need to comply with the directives and regulations of the Government of India (“GOI”) and relevant state government authorities. We are heavily reliant on workers at our unit, including those workers who are hired on a contract basis and are not on a fixed payroll. Our inability to continue to procure such services or any disputes with this group of labour would severely affect our operations and may cause an under-utilisation of our capacities or a total shut down.

Our operations involve a significant degree of integration, and our results of operations are dependent on the successful operation of each facility. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition, results of operations and prospects may be adversely affected by any disruption of operations at our facilities.

31. Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.

Our business, assets and vehicles could suffer damage from fire, natural calamities, misappropriation 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 will be adequate to cover any damage or loss suffered by our Company 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, our Company is required to renew these 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, our Company may face significant uninsured losses. If our Company suffers a large uninsured loss or if an insured loss suffered, significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

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

The State of Gujarat and especially Ahmedabad is one of the main place for the Textile Industry and this has resulted in huge competitive pressures. We may have to confront pressures in respect of pricing; product quality etc. from the clients and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. We are also in direct competition with the leading textile manufacturing units in India as well as the local units. Our Competitiveness is also measured by the technology we adopt as the textile industry is rapidly growing in India and in International Markets. Some of our clients might export their final products which in turn compel us to meet international standards also. Our inability to compete with this intense competition; local, national and international will have material adverse impact on our Company's financial position.

33. Our Company has entered into certain related party transactions in the past and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

Our Company has entered into certain transactions with our related parties including our Promoters, Promoters Group, Directors and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties.

Furthermore, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition. For details, please refer "*Financial Statements – Related Party Transactions*" on page no. 134 of this Final Letter of Offer.

34. Our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

We have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past; there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations.

35. *Changes in latest technology machinery/ requirement of machinery based on business opportunity may adversely affect our Company's results of operations and its financial condition.*

Modernisation and technology up gradation is essential to reduce costs and increase the output. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. However, our existing manufacturing units have machineries with latest technology and we strive to keep our technology, equipment's and machinery in line with the latest technological standards. But in future we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries may be significant which could substantially affect our finances and operations.

Further in case of machinery requirement based on business opportunity/ latest technology machinery, we will have to incur huge expenditure which may adversely affect our Company's results of operations and its financial condition. Also inability to up-grade our technology and key infrastructure on timely basis may hamper our operations and financial conditions.

36. *In addition to remuneration, other benefits and reimbursement of expenses our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.*

Some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration, incentives or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel 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 adversely affecting our business and results of operations and prospects.

37. *The Promoter and Director holds Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.*

Mr. Mithleshkumar Agrawal, our Promoter and Managing Director interested in our Company to the extent of their shareholding in our Company, in addition to any regular remuneration, sitting fees, benefits or reimbursement of expenses as may be payable to them. We cannot assure you that our Promoter or Director will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and Promoter Group will continue to influence decisions requiring voting of shareholders. For details on the interest of our Promoter and Director of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "Our Management" on page 90.

38. *Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.*

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

39. *Any disproportionate increase in labour costs including increase in wage/salary demand, labour unrest or labour claims arising from accidents may adversely affect our business operations and financial conditions.*

Our increasing business operations may require our employee strength to increase in future. In the past our Company has not experienced any labour unrest, but there is no assurance that it will not experience the same at any time in the future. Also, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if our Company is unable to pass on the increased costs to our customers, our business operations and financial conditions may be adversely affected.

40. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this issue which would in turn affect our revenues and results of operations.*

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter “*Objects of the Issue*” on page no. 48 of the Final Letter of Offer. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

41. *Statistical and industry data in this Final Letter of Offer may be inaccurate, incomplete or unreliable.*

We have not independently verified data obtained from industry publications and other sources referred to in this Final Letter of Offer. This Final Letter of Offer includes information that is derived from relevant sources. Neither we nor any other person connected with the issue has verified the information in the website of relevant sources. This information does not guarantee the accuracy, adequacy or completeness of the information and disclaims responsibility for any errors or omissions in the Information or for the results obtained from the use of the Information. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that information from website of relevant sources are correct or will not change and, accordingly, our position in the market may differ from that presented in this Final Letter of Offer. Further, Prospective investors are advised not to unduly rely on the information of relevant sources or extracts thereof as included in this Final Letter of Offer, when making their investment decisions.

RISK FACTORS RELATED TO EQUITY SHARES

42. *Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.*

Any future issuance of Equity Shares by our Company could dilute the investors’ shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an Issuing of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our associate and the dividends they distribute to us. In the past, we have not made dividend payments to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company 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 and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

EXTERNAL RISK FACTORS

44. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.*

The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in Final Letter of Offer, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being

subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavour to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

45. *Any changes in the regulatory framework could adversely affect our operations and growth prospects.*

Our Company is subject to various regulations and policies. For details see section titled “*Key Industry Regulations and Policies*” beginning on page no. 70 of this Final Letter of Offer. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

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

In the recent past, India has experienced fluctuating wholesale price inflation as compared to historical levels due to the global economic downturn. The inflation rate rose 4.70% in April, from 5.66% in March, 6.44% in February, and 6.52% in January, this year. CPI hit the highest of 7.79% in Apr. 2022. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, prices of raw materials or any other expenses that we incur. We cannot assure you that we will be able to pass on any additional expenses to our patients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

47. *It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.*

Our Company is incorporated under the laws of India. Our Company’s assets are primarily located in India and all of our Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Recognition and enforcement of foreign judgements are provided for under Section 13 of the Civil Procedure Code (“CPC”) on a statutory basis. Section 13 of the CPC provides that foreign judgements shall be conclusive regarding any matter directly adjudicated upon, except (i) where the judgement has not been pronounced by a court of competent jurisdiction; (ii) the judgement has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgement is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgement was obtained were opposed to natural justice; (v) where the judgement has been obtained by fraud; or (vi) where the judgement sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, including the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the “Civil Code”). The Civil Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non- reciprocating territory within three years of obtaining such final judgment.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Therefore, a final judgement for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely on the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final

judgement is rendered may bring a new suit in a competent court in India based on a final judgement that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgement in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgement if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgements that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgement in India is required to obtain approval from the RBI under FEMA to execute such a judgement or to repatriate any amount recovered.

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

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

We have not determined the impact of the proposed legislations on our business. Uncertainty in the applicability, Interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, the GOI may introduce a waiver or incentive scheme in relation to specific population segments such as MSEs in public interest, pursuant to which we may be required to Issue our products and services at discounted rates. This may affect our business and results of operations.

49. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.*

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

50. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

51. *Instability in financial markets could materially and adversely affect our results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

52. *Any further downgrading of our debt ratings or of India's sovereign debt rating may adversely affect our business.*

Any downgrading of our credit ratings may increase interest rates on our outstanding debt, increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and materially and adversely affect our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth. In addition, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. This may materially and adversely affect our capital expenditure plans, business and future financial performance and our ability to fund our growth in future.

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

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

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

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

SECTION IV –INTRODUCTION TO THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on June 7, 2023 pursuant to Section 62(1)(a) of the Companies Act, 2013. The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “Terms of the Issue” on page 155 of this Final Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto 6,31,45,050# Equity Shares to eligible Equity Shareholders.
Rights Entitlement	1 Equity Share for every 2 fully paid-up Equity Shares held on the Record Date.
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is in odd figure the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record date	Monday, July 24, 2023.
Face Value per Equity Shares	Re. 1/- each.
Issue Price per Rights Equity Shares	Rs. 2/- per Rights Equity Shares.
Issue Size	Upto 6,31,45,050# Equity Shares of face value of Re. 1/- each for cash at a price of Rs. 2/- (Including a premium of Re. 1/-) per Rights Equity Share not exceeding an amount of Rs. 12,62,90,100 /-.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	12,62,90,100 Equity Shares.
Equity Shares subscribed and paid-up during the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto 6,31,45,050# Equity Shares.
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	Upto 18,94,35,150 Equity Shares.
Scrip Details	ISIN: INE098201036 NSE: VCL ISIN for Rights Entitlement: INE098220010.
Use of Issue Proceeds	For details, please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 48 of this Letter of Offer.
Terms of the Issue	For details, please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 155 of this Letter of Offer.
Terms of Payment	The full amount of the Issue Price is payable on Application.

#Equity shares which are offered through the rights issue are Maximum no. of shares will be issued.

Issue Schedule

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

Event	Indicative Date
Issue Opening Date	Monday, August 7, 2023
Last Date for On Market Renunciation of Rights	Monday, August 14, 2023
Issue Closing Date*	Friday, August 18, 2023

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 to achieve Minimum Public Shareholding and RE's shall be issued to eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023.

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 in order to achieve Minimum Public Shareholding. The Copy of this letter of Offer will be dispatch to the eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023.

GENERAL INFORMATION

Our Company was incorporated as “Foolproof Vyapaar Private Limited” at Kolkata, West Bengal as a Private Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 26, 2005 bearing Corporate Identification Number U51109GJ2005PTC076930 issued by Registrar of Companies, Kolkata, West Bengal. Consequent the name of the Company was changed from “Foolproof Vyapaar Private Limited” to “Vaxtex Cotfab Private Limited” as approved by shareholders of our Company pursuant to a special resolution dated December 18, 2015 and Certificate of Incorporation was issued by Registrar of Companies Ahmedabad, Gujarat dated December 30, 2015. Consequent upon the conversion of our Company to public limited company and as approved by the shareholders of our company pursuant to a special resolution dated March 05, 2018, the name of our Company was changed to “Vaxtex Cotfab Limited” and fresh certificate of incorporation dated March 21, 2018 was issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company is L51109GJ2005PLC076930.

Particulars	Details			
Registered Office	J-03 (GF to 4 th Floor) Tejendra Arcade, Nr. Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmedabad – 380023, Gujarat Contact Person: Ms. Vinita Keswani; Contact No.: 91-97271-23838 Email: vaxtexcotfab@gmail.com ; Website: https://vaxtexcotfabltd.com/			
Date of Incorporation	December 26, 2005			
Company Identification Number	L51109GJ2005PLC076930			
Company Category	Company limited by Shares			
Registrar of Company	Gujarat, Dadra and Nagar Haveli			
Address of the ROC	ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013 Tel No.: +91 79 – 2743 7597; Fax No.: +91 79 – 2743 8371 E Mail: roc.ahmedabad@mca.gov.in			
Company Secretary and Compliance Officer	Ms. Vinita Keswani C/o Vaxtex Cotfab Limited J-03 (GF to 4 th Floor) Tejendra Arcade, Nr. Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmedabad – 380023, Gujarat Contact Person: Ms. Vinita Keswani; Contact No.: +91-9727170232 Email: vaxtexcotfab@gmail.com ; Website: https://vaxtexcotfabltd.com/			
Designated Stock Exchange	National Stock Exchange of India Limited (Main Board)			
Issue Programme	Issue Opens On:	August 7, 2023	Issue Closes On:	August 18, 2023

Board of Directors of our Company:

Set forth below are the details of our Board of Directors as on the date of this Final Letter of Offer:

Sr. No.	Name	Designation	DIN
1.	Mithleshkumar M. Agrawal	Managing Director	03468643
2.	Aakash Rajeshbhai Thakor	Chairman & Non-Executive Director	07960192
3.	Kunjai Jayantkumar Soni	Independent Director	08160838
4.	Pranav Manoj Vajani	Independent Director	09213749
5.	Ziral Soni	Independent Director	09213763
6.	Digesh Mansukhlal Deshaval	Independent Director	09218553

For detailed profile of our Directors, please refer to the chapter titled “Our Management” on page 90 of this Final Letter of Offer.

Chief Financial Officer:

Mr. Pratapsingh Bhoorsingh Zala, is the Chief Financial Officer of our Company.

Company Secretary and Compliance Officer:

Ms. Vinita Keswani, Company Secretary and Compliance Officer of our Company.

Details of Key Intermediaries pertaining to this Issue of our Company:**Advisors to the Issue:****Gaurav Bachani & Associates****Company Secretaries,**

308, Tilakraj Complex, In lane next to Bank of Baroda, Opp. Central Mall, Near Ambawadi Circle,
Ahmedabad - 380 006

Tel: +91 – 79 – 4892 7740 / +91 – 90166 14499

E-mail id: csgauravbachani@gmail.com

Mem No.: 61110

COP: 22830

Peer Review Number: 2126/2022

Registrar to the Company:**Bigshare Services Private Limited**

Pinnacle Business Park, Office No S6-2, 6th, Mahakali Caves Rd, Next To Ahura Centre, Andheri East,
Mumbai, Maharashtra 400093

Tel: 022 – 6263 8200

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Vijay Surana

SEBI Registration No: INR000001385

Registrar to the Issue:**Cameo Corporate Services Limited**

Subramanian Building, 1 Club House Road, Chennai - 600 002

Tel: +91 - 44 4002 0700

Email: rights@cameoindia.com

Investor Grievance Email id: investor@cameoindia.com

Website: <https://rights.cameoindia.com/vaxtex>

Contact Person: Ms. K. Sreepriya

SEBI Registration No: INR000003753

CIN: U67120TN1998PLC041613

Bankers to the Company:**Indusind Bank Limited**

2, Zodiac Square, opp. Gurudwara, S.G. Highway, Bodakdev, Ahmedabad 380054, India

Contact Person: Mr. Rahul Joshi

Tel: +91 (22) 7143 2208

Fax: +91 (22) 7143 2270

Email: investmentbanking@indusind.com

Website: www.indusind.com

CIN: L65191PN1994PLC076333

Statutory and Peer Review Auditor of our Company:**SSRV and Associates,**

Chartered Accountants,

Office No. 215, 2nd Floor, Gundecha Ind. Estate, Akurli Road,
Kandivali (E), Mumbai – 400101.

Tel.: +91 22-67337024 / +91 22-67337025

E-mail: ssrvandassociates@gmail.com**Bankers to the Issue / Refund Bank:****ICICI Bank Limited**Address: Capital Market Division, 163, 5th Floor, H.T.Parekh Marg,
Backbay Reclamation, Churchgate, Mumbai-400020

Tel No.: 02268052182

Fax No.: 022-22611138

Contact Person: Sagar Welekar

E-mail: sagar.welekar@icicibank.com / ipocmg@icicibank.com**Legal advisors to the Issue:****J Mukherjee & Associates**

Advocates & Solicitors

Mob No.: 9830640366

Address: D-1, MMS Chambers, 1st Floor 4A, Council House Street, Kolkata- 700001**Tax advisors to the Issue:****CA Pankaj Agarwal**

Registered Address: B202, Anand Mangal Apartments, Near Zydus School, Ahmedabad – 380051

Tel: +91 8560859744

Email: capankajabu@gmail.com**Designated Intermediaries*****Self-Certified Syndicate Banks***

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

Inter-se Allocation of Responsibilities

The Company has not appointed any merchant banker as the Issue size is less than Rs. 5,000.00 lakhs and hence there is no inter-se allocation of responsibilities.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-issue/ post-issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-issue or post-issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application

Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Credit Rating

As this is an Issue of Equity Shares, credit rating is not required.

Debenture Trustees

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

Monitoring Agency

As the net proceeds of the Issue will be less than Rs. 10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Filing

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

Underwriting Agreement

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

Changes in Auditors during the last three years

There has been no change in the statutory auditors of our Company during the three years immediately preceding the date of this Final Letter of Offer.

Minimum Subscription

In accordance with Regulation 86 of the SEBI ICDR Regulations, for this Issue the minimum subscription which is required to be achieved is of at least 90% of the Issue. Our Company does not fall under the exemption to Regulation 86(1) which has been inserted by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors who are "officers in defaults" shall pay interest for the delayed period, at such rates as prescribed under the applicable laws.

EXPERTS

Except for the reports of the Auditor of our Company on the audited Financial Information and Statement of Tax Benefits included in the Final Letter of Offer, our Company has not obtained any expert opinions.

Issue Schedule:

Event	Indicative Date
Issue Opening Date	Monday, August 7, 2023
Last Date for On Market Renunciation of Rights	Monday, August 14, 2023
Issue Closing Date*	Friday, August 18, 2023
Finalizing the basis of allotment with the Designated Stock Exchange (on or about)	Friday, August 25, 2023
Date of Allotment (on or about)	Friday, August 25, 2023
Date of credit (on or about)	Tuesday, August 29, 2023
Date of listing (on or about)	Thursday, August 31, 2023

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

The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided the Issue will not be kept open in excess of 30 days from the Issue Opening Date.

For further details, please see the chapter titled “Terms of the Issue” beginning on page no. 155 of Final Letter of Offer.

CAPITAL STRUCTURE

The Share capital of our Company, as on the date of filing of this Final Letter of Offer with NSE and after giving effect to the Issue is set forth below: -

Particulars		Aggregate Value at Face Value (in Lakh)	Aggregate Value at Issue Price (in Lakh)
A	Present Authorized Share Capital		
	19,00,00,000 Equity Shares of face value of Re.1/- each*	1900.00	NA
B	Present Issue, Subscribed and Paid up Capital		
	12,62,90,100 Equity Shares of face value of Re.1/- each	1262.90	NA
C	Present Issue in terms of this Final Letter of Offer		
	Upto 6,31,45,050# Right Equity Shares of face value of Re. 1/- each for cash at a price of Rs. 2/- per Equity Share**	631.45	1262.90
D	Issued, Subscribed and Paid-Up Equity Share Capital after this Issue**		
	Upto 18,94,35,150 Equity Shares of face value of Re. 1/- each	1894.35	N.A
	Securities Premium Account		(in Lakh)
	Before the Issue		940.11
	After the Issue		1571.56

* Authorised Share Capital has been increased upto Rs. 19.00 Crores in the Extra-Ordinary General Meeting held on July 6, 2023.

** Assuming full acceptance and Subject to finalization of Basis of Allotment, Allotment and deduction of Issue Expenses.

For further details, please refer to the Chapter titled “Issue Information” on page 155 of this Final Letter of Offer. Our Company has no outstanding convertible instruments as on the date of this Final Letter of Offer.

1. Intention and extent of participation by our Promoters and Promoter Group

The Promoters vide their letter dated June 07, 2023, have, indicated their intention to subscribe, jointly and / or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter(s) or member(s) of the Promoter Group of our Company subject to availability of funds.

2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI SAST Regulations is Rs. 2.22/- per equity share.

The ex-rights price per Equity Share is calculated assuming full subscription to the Issue during the Rights issue period.

3. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI LODR Regulations

A. The shareholding pattern of our Company as on June 30, 2023, can be accessed on the website of the NSE at:

<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VCL&tabIndex=equity>

B. Statement showing holding of Equity Shares of the Promoter and Promoter Group including details of lock-in, as on June 30, 2023 can be accessed on the website of the NSE at:

<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VCL&tabIndex=equity>

C. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on June 30, 23 can be accessed on the website of the NSE at:

<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VCL&tabIndex=equity>

4. Details of the Shareholders holding more than 1% of the issued and paid-up equity share capital

The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid-up Equity Share capital of our Company, as on June 30, 2023 are available at:

<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=VCL&tabIndex=equity>

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds raised through the Issue (“Gross Proceeds”), after deducting Issue related expenses (“Net Proceeds”) towards the following objects (collectively, referred to as the “Objects”):

- A. Funding the Incremental working capital requirements of our Company;
- B. Purchase of Plant and Machinery;

The main objects clause and objects incidental or ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Rights Issue.

ISSUE PROCEEDS

The details of the Issue Proceeds are as follows:

Particulars	Estimated Amount
Gross Proceeds to be raised through the Issue*	1262.90
Less: Issue related expenses**	55.00
Net Proceeds to be raised through the issue	1207.90
Utilization of the net proceeds	
(a) Purchase of Plant and Machinery	157.86
(b) Funding the incremental working capital requirements	1050.04
Net Proceeds	1207.90

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.*

***See “Estimated Issue Related Expenses” as mentioned below in this Chapter*

UTILIZATION OF NET ISSUE PROCEEDS

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue	Estimated deployment in FY 2024-25	Estimated deployment in FY 2025-26
1.	Funding the Incremental working capital requirements of our Company**	1050.04	1050.04	-
2.	Purchase of Plant and Machinery	157.86	157.86	-
	Net Proceeds*	1207.90	1207.90	-

^Any portion of the Net Proceeds not deployed for the stated Objects in FY 2023-24 will be deployed by our Company in FY 2024-25.

**Assuming full subscription and Allotment with respect to the Rights Equity Shares.*

The above fund requirements are based on our current business plan, internal management estimates and have not been appraised by any bank or financial institution. The deployment of funds raised through this Issue is at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

In case of any increase in the actual utilization of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by means available to us, including by way of incremental debt and/or internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

Means of Finance:

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue and through existing identifiable accruals.

DETAILS OF THE USE OF PROCEEDS

a. Funding the incremental working capital requirements:

Our business is working capital intensive. We finance our working capital requirement from our internal accruals, and bank finance. Considering the existing and future growth, the incremental working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹ 1050.04 Lakh.

We intend to meet our working capital requirements to the extent of ₹ 1050.04 Lakh from the Net Proceeds of this Issue and the balance will be met from internal accruals at an appropriate time as per the requirement.

Basis of estimation of working capital

Particulars	Projected amount (in lakhs)
(A) Current Assets	
Current Investment	110.24
Closing stock	421.25
Debtors	2414.25
Advance paid to creditors and advances	655.74
Other current assets	102.54
Cash & cash equivalents	24.26
Total Current Assets (A)	3728.28
(B) Current Liabilities	
Sundry Creditors	2010.48
Advances from customers and other current liabilities	660.51
Statutory Liabilities	7.25
Total Current Liabilities (B)	2678.24
Working Capital requirement (A-B)	1050.04

A. Detailed Assessment of Working Capital:

The details of our Company's composition of working capital as at March 31, 2023, March 31, 2024 and March 31, 2025 based on the Financial Statements. Further, the source of funding of the same are as set out in the table below:

Particulars	₹					
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	(Aud.)	(Aud.)	(Aud.)	(Aud.)	(Proj.)	(Proj.)
1. Gross Sales						
(i) Sales-Domestic	2775.8	2615.44	6190.74	6703.39	8341.24	9625.79096
(ii) Other Operating Income	0	0	0	858.36	0	0
(iii) Other Income	1.77	6.49	37.59	89.19	100.24956	115.6879922
TOTAL	2777.57	2621.93	6228.33	7650.94	8441.48956	9741.478952
2. Net Income	2777.57	2621.93	6228.33	7650.94	8441.48956	9741.478952
3. Percentage of rise/fall in Net Sale	-	-5.60346	137.54753	22.8409542	10.33271154	15.4
4. Cost of Sales						
(i) Total Purchase	2468.63	1949.83	5775.35	6625.02	7590.5284	8759.469774
(ii) Power and Fuel	150.16	55.87	123.41	80.12	83.4124	96.2579096
(iii) Labour	154.15	52.6	144.92	141.2	166.8248	192.5158192
(vi) Other Manufacturing Expenses	30.83	48.32	23.7	19.17	21.54708	24.21891792
(v) Depreciation	14.17	14.97	29.92	27.85	50.35	72.85
(vi) Sub-total (I to v)	2817.94	2121.59	6097.3	6893.36	7912.66268	9145.31242
Sub-Total	2817.94	2121.59	6097.3	6893.36	7912.66268	9145.31242
(viii) Add : Op. stocks of F.G.	62.15	410.19	170.52	540.76	134.25	421.25
Sub-Total	62.15	410.19	170.52	540.76	134.25	421.25
(ix) Deduct : Closing stocks of F.G.	410.19	170.52	540.76	134.25	421.25	1002.25
(x) Cost of Sales	2469.9	2361.26	5727.06	7299.87	7625.66268	8564.31242
5. Selling, General and Adm. Expenses	183.03	125.78	192.62	172.36	259.54	361.24
6. Subtotal (4 + 5)	2652.93	2487.04	5919.68	7472.23	7885.20268	8925.55242
7. Operating Profit before Interest	305.9	254.18	463.68	261.88	715.57732	1061.47854

(3 - 6)						
8. Other Financial Charges.	105.88	108.62	104.55	62.82	81.24	96.25
Total Financial Charges	105.88	108.62	104.55	62.82	81.24	96.25
9. Operating Profit after Interest (7 - 8)	200.02	145.56	359.13	199.06	634.33732	965.2285397
10. Profit before Tax/Loss	18.76	26.27	204.1	115.89	475.04688	719.6765319
11. Statutory Liabilities	9.41	8.44	52.29	2.69	119.5692997	181.1425831
12. Net Profit [10 - 11]	9.35	17.83	151.81	113.2	355.4775803	538.5339488
13. Retained Profit	9.35	17.83	151.81	113.2	355.4775803	538.5339488
14. Retained Profit/Net Profit (%age)	100.00	100.00	100.00	100.00	100.00	100.00
Current Liabilities:						
01 Short Term Borrowings from Banks						
(i) From other Bank (Of which BP/BD)	17.1	0.03	0	1.67	0	0
(ii) From related parties	317.35	20.8	142.01	0	0	0
Sub - Total (A)	334.45	20.83	142.01	1.67	0	0
02 Sundry Creditors	568.44	208.46	526.11	2940.47	2010.48	2415.36
03 Statutory Liabilities	42.79	14.83	11.78	5.32	7.25	9.21
04 Advance from customers	40.08	10.1	0	935.35	600.26	701.35
05 Other C.L. & Provisions Specify Major Items)	0	0	55.59	175.78	60.25	80.24
Sub - Total (B)	651.31	233.39	593.48	4056.92	2678.24	3206.16
06 Total Current Liabilities	985.76	254.22	735.49	4058.59	2678.24	3206.16
07 Unsecured Loans from Banks/ Directors	188.73	139	0	503.62	0	0
08 Secured Borrowings	738.58	869.57	603.31	13.94	9.24	7.25
09 Other Term Liabilities (Q.E.)	14.09	18.42	24.09	24.09	24.09	24.09
10 Total Term Liabilities (Total of 07 to 09)	941.4	1026.99	627.4	541.65	33.33	31.34
11 Total outside Liabilities (06 + 10)	1927.16	1281.21	1362.89	4600.24	2711.57	3237.5

12	Paid-Up- Capital	602.35	602.35	1003.92	1262.9	1893.9	1893.9
13	Reserves and Surplus	223.44	223.44	0	940.11	1886.61	1886.61
14	Surplus (+) or Deficit (-) in Profit and Loss account	39.41	61.57	32.02	145.22	500.70	1039.23
15	Net Worth (Total of 12 to 14)	865.2	887.36	1035.94	2348.23	4281.21	4819.74
16	Total Liabilities (11 + 15)	2792.36	2168.57	2398.83	6948.47	6992.78	8057.24
17	Cash and Bank Balances	19.31	11.39	14.94	9.3	24.26	41.25
18	(I) Receivables other than deferred & Exports including B.P./B.D. by Bank	854.5	978.64	619.46	1822.07	2414.25	2914.25
	(iii) Finished Goods	410.19	170.52	540.76	134.25	421.25	1002.25
19	Advances to suppliers of Raw mate. stores/spares	253.91	71.13	31.84	286.25	124.15	142.52
20	Other Current Assets						
	(i) Current Investment	0	0	97.36	102.77	110.24	120.45
	(ii) Loans & Advances	136.64	66.66	594.89	4130.76	531.59	500.00
	(iii) Others	0.35	1.14	101.64	90.67	102.54	124.25
21	Total Current Assets	1674.9	1299.48	2000.89	6576.07	3728.28	4844.97
22	Gross Block (incl. work in progress)	273.79	435.94	420.35	422.66	580.66	580.66
23	Depreciation to-date	36.43	51.39	29.92	57.78	108.13	180.98
24	Net Block (22 - 23)	237.36	384.55	390.43	364.88	472.53	399.68
	(a) Investment in group Cos.	0	0	0	0	0.00	0.00
	(b) Others	880.11	484.55	7.5	7.5	7.50	7.50
	(c) Loans & Advances	0	0	0	0	2784.46	2805.09
25	Total Other Non-Current Assets (a + b)	880.11	484.55	7.5	7.5	2791.96	2812.59
26	Total Assets (Total of 21, 24 & 25)	2792.37	2168.58	2398.82	6948.45	6992.77	8057.24
27	Tangible Net Worth	865.21	887.37	1035.93	2348.21	4281.20	4819.74

28 Net Working Capital	689.14	1045.26	1265.4	2517.48	1050.04	1638.81
29 Current Ratio	1.699095	5.111636	2.72	1.62	1.39	1.51
30 Total outside Liabilities/	2.22739	1.443828	1.3156198	1.95904114	0.63	0.67

B. Purchase of Plant and Machinery:

Detailed below is quotation and proforma invoice, received from Esportare India Private Limited (i.e. machinery supplier) by our Company:

Sr. No.	Description	Nos.	Rate	Amount (in Rs.)
1.	Denim loop attachment (Automatic loop machine)	1	19,00,000	19,00,000
2.	Denim Pocket attachment Machine	1	11,00,000	11,00,000
3.	Feed of the arm (Double needle machine)	2	3,50,000	7,00,000
4.	Bartech	10	2,50,000	25,00,000
5.	Kaaj	6	3,20,000	19,20,000
6.	Blind stitch	8	1,00,000	8,00,000
7.	Overlock	6	70,000	4,20,000
8.	Single needle machine	60	70,000	42,00,000
Total		94		1,35,40,000

ISSUE EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ 55.00 Lakh*. The expenses of the Issue include, among others, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, and marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Expenses (in Lakhs)	% of Estimated Issue Size	% of the Issue Expenses
Fees of Banker to the Issue, Registrar to the Issue, Auditor's Fees, etc. including out of pocket expenses	5.00	0.32	9.09
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	30.00	1.90	54.55
Advertising, Printing and Distribution	4.00	0.25	7.27
Other expenses (including miscellaneous expenses and stamp duty)	16.00	1.01	29.09
Total	55.00	3.48	100.00

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

APPRAISAL OF THE OBJECTS

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency.

INTERIM USE OF FUNDS

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by SEBI. We confirm that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not utilize the Net Proceeds for any investment in the equity markets, real estate or related products.

BRIDGE LOAN

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument pending receipt of the Net Proceeds.

MONITORING UTILIZATION OF FUNDS FROM ISSUE

As this is an Issue for an amount less than ₹10,000 Lakhs, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be

certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above.

STRATEGIC AND FINANCIAL PARTNERS TO THE OBJECTS OF THE ISSUE

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

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

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

OTHER CONFIRMATIONS

No part of the Net Proceeds will be paid by us as consideration to our Promoters and Promoter Group, our Directors, associates or Key Managerial Personnel, and in the normal course of business and in compliance with the applicable laws.

Variation in Objects

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

STATEMENT OF POSSIBLE TAX BENEFITS

To
**The Board of Directors,
Vaxtex Coflab Limited**
Ahmedabad

Dear Sir,

Reference – Rights Offer of Equity Shares by Vaxtex Coflab Limited
Subject - Statement of possible tax benefits (“the statement”) available to Vaxtex Coflab Limited (“the Company”)
and its shareholders prepared in accordance with the requirement in Part B-1 of Schedule VI to the Securities
Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.

1. We hereby confirm that the enclosed Annexure 1 and 2 (together "the Annexures"), prepared by **Vaxtex Coflab Limited** ('the Company'), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961 ('the Act') as amended by the Finance Act 2022, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2022-23 relevant to the assessment year 2023-24. the Central Goods and Services Tax Act, 2017 and the Integrated Goods and Services Tax Act, 2017, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2022-23 relevant to the assessment year 2023-24 ('the Indirect Tax Act'), presently in force in India (together, the " Tax Laws') Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
3. We do not express any opinion or provide any assurance as to whether:
 - i. the Company or its shareholders will continue to obtain these benefits in future;
 - ii. the conditions prescribed for availing the benefits have been/ would be met with; and
 - iii. the revenue authorities' courts will concur with the views expressed herein.
4. The Content of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the company.
5. No assurance is given that the revenue authorities / Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
6. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
7. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Letter of Offer / Letter of Offer / Offer Documents in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For, SSRV and Associates,
Chartered Accountants
(FRN: 135901W)**

Sd/-

**Vishnu Kant Kabra
(Partner)**

**Membership No.: 403437
UDIN: 23403437BGWDJU6310**

Date: 07/06/2023

Place: Mumbai

ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS

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

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

A. Special Tax Benefits to The Company

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

B. Special Tax Benefits to The Shareholder

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

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

**For, SSRV and Associates,
Chartered Accountants
(FRN: 135901W)**

Sd/-

**Vishnu Kant Kabra
(Partner)**

Membership No.: 403437

UDIN: 23403437BGWDJU6310

Date: 07/06/2023

Place: Mumbai

ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS

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

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

A. Special Tax Benefits to The Company

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

B. Special Tax Benefits to The Shareholder

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

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.

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

For, SSRV and Associates,

Chartered Accountants

(FRN: 135901W)

Sd/-

Vishnu Kant Kabra

(Partner)

Membership No.: 403437

UDIN: 23403437BGWDJU6310

Date: 07/06/2023

Place: Mumbai

SECTION V – ABOUT THE COMPANY INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and other industry sources. Neither we nor any other person connected with this Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly investment decisions should not be based on such information.

GLOBAL ECONOMIC OUTLOOK

Global growth is firming, contributing to an improvement in confidence. A recovery in industrial activity has coincided with a pickup in global trade, after two years of marked weakness. In emerging market and developing economies (EMDEs), obstacles to growth among commodity exporters are gradually diminishing, while activity in commodity importers remains generally robust. As a result, and despite substantial policy uncertainty, global growth is grow 6.0 percent in 2021 and 4.9 percent in 2022.

Activity in advanced economies is expected to gain momentum in 2022, supported by an upturn in the United States, as previously anticipated. In the Euro Area and Japan, growth forecasts have been upgraded, reflecting strengthening domestic demand and exports. Investment across advanced economies has firmed, while private consumption growth has moderated. As actual growth continues to exceed potential growth, increasing inflation and narrowing output gaps have raised the prospects of less accommodative monetary policy. Advanced economy growth is expected to accelerate to 4.9 percent in 2023. As usual, the outlook is predicated only on legislated fiscal and trade policies.

The recovery in global trade coincides with strengthening investment, which is more import intensive than other components of aggregate demand. Nevertheless, structural headwinds, including slower trade liberalization and value chain integration, as well as elevated policy uncertainty, continue to weigh on the outlook for trade. Global financing conditions have been benign and benefited from improving market expectations about growth prospects. Financial market volatility has been low despite elevated policy uncertainty, reflecting investor risk appetite and, perhaps, some level of market complacency.

Renewed risk appetite has supported EMDE financial markets and led to a narrowing of corporate bond spreads globally. Capital inflows to EMDEs were robust in the first half of 2023, partly in a rebound from late-2020 weakness. Over time, however, a gradual tightening of international financing conditions may weigh on capital flows to EMDEs. Commodity prices have continued to rise moderately, although prospects for increased U.S. shale oil production are weighing on the outlook for oil prices. Against an improving international backdrop, growth in EMDEs has strengthened from a post crises is low of 4.5 percent in 2022. It is projected to reach 4.9 percent in 2023 and 5.2 percent in 2024. In commodity exporters, firming commodity prices, recovering industrial activity, stabilizing investment, and improving confidence are supporting a gradual recovery, following near stagnation in the past couple of years.

Growth continues to be robust among commodity importers. Windfalls from the recent decline in commodity prices is waning, but accommodative policies are supporting domestic demand and export growth is being bolstered by a recovery in global trade.

In low-income countries, growth is rebounding, as rising metals prices lift production in metals exporters and infrastructure investment continues in non-resource-intensive economies. However, some low-income countries are still struggling with declining oil production, conflict, drought, and security and political challenges.

A number of factors weigh on longer-term EMDE growth prospects, including structural headwinds to global trade, worsening demographics, slowing productivity growth, and governance and institutional challenges. Even if the expected modest rebound in investment across EMDEs materializes, slowing capital accumulation in recent years may already have reduced potential growth.

Substantial risks cloud this outlook, despite the possibility of fiscal stimulus in some major advanced economies, particularly the United States. Escalating trade restrictions could derail a fragile recovery in trade and undo gains from past liberalization efforts. A further increase in policy uncertainty from already high levels could dampen confidence and investment and trigger financial market stress, after a period and capital flows, potentially amplified by vulnerabilities in some countries. Over the longer term, persistent weakness in productivity and investment growth would erode potential growth.

Policymakers face the challenge in nurturing the recovery, confronting downside risks, and fostering longer-term growth. Central banks in advanced economies will gradually normalize monetary policy as inflation increases and economic slack diminishes. While the U.S. tightening cycle is well ahead of other major advanced economies, it is proceeding at a substantially slower pace than in the past. Expansionary fiscal policy could help support the recovery, as long as it is consistent with medium term fiscal sustainability. Policy priorities include measures to support workers most affected by sectoral shifts in employment through better training and job search programs, and to share the dividends of growth and gains from globalization more widely. Inflation rates in EMDE commodity exporters and importers are converging. Easing inflation among commodity exporters since mid-2023 has allowed a more accommodative monetary policy stance in some countries. Although the impact of the earlier drop in commodity prices on the government budgets of commodity exporters is dissipating, Fiscal space remains constrained in many EMDEs, suggesting the need for continued Fiscal adjustment. EMDEs will need to continue to pursue structural reforms to improve their longer term growth prospects, diversify their economies, and develop domestic as well as foreign markets. Key challenges include policies to improve the business climate, support investment in human and physical capital, and enhance regional and global trade integration of EMDEs.

INDIAN ECONOMY GROWTH

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

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

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

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

Market size

India's gross domestic product (GDP) grew by 6.3 per cent in July-September 2023 quarter as per the Central Statistics Organization (CSO). Corporate earnings in India are expected to grow by over 20 per cent in FY 2021-22 supported by normalization of profits, especially in sectors like automobiles and banks, according to Bloomberg consensus.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India increased 53.3 per cent to US\$ 77.6 billion in 2017 while private equity (PE) deals reached US\$ 24.4 billion. Some of the important recent developments in Indian economy are as follows:

- Indian companies raised Rs 1.6 trillion (US\$ 24.96 billion) through primary market in 2017.
- Moody's upgraded India's sovereign rating after 14 years to Baa2 with a stable economic outlook.

- India received net investments of US\$ 17.412 million from FIIs between April-October 2017.
- The top 100 companies in India are leading in the world in terms of disclosing their spending on corporate social responsibility (CSR), according to a 49-country study by global consultancy giant, KPMG.
- The bank recapitalization plan by Government of India is expected to push credit growth in the country to 15 per cent, according to a report by Ambit Capital.
- India has improved its ranking in the World Bank's Doing Business Report by 30 spots over its 2017 ranking and is ranked 100 among 190 countries in 2018 edition of the report.
- India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity (PPP) as it increased to US\$ 7,170 in 2017, as per data from the International Monetary Fund (IMF).
- The Government of India has saved US\$ 10 billion in subsidies through direct benefit transfers with the use of technology, Aadhaar and bank accounts, as per a statement by Mr. Narendra Modi, Prime Minister of India.
- India is expected to have 100,000 startups by 2025, which will create employment for 3.25 million people and US\$ 500 billion in value, as per Mr. T V Mohan Das Pai, Chairman, Manipal Global Education.
- The total projected expenditure of Union Budget 2018-19 is Rs 23.4 lakh crore (US\$ 371.81 billion), 9 per cent higher than previous year's budget, as laid out in the Medium Term Expenditure Framework (MTEF).
- India received the highest ever inflow of equity in the form of foreign direct investments (FDI) worth US\$ 43.4 billion in 2016-17 and has become one of the most open global economies by ushering in liberalization measures, as per the mid-year economic survey of India.
- The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.
- The Niti Aayog has predicted that rapid adoption of green mobility solutions like public transport, electric vehicles and car-pooling could likely help India save around Rs 3.9 trillion (US\$ 60 billion) in 2030.
- Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per Mr. Anil Sinha, Global Impact Investing Network's (GIIN's) advisor for South Asia.
- The Union Cabinet, Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill.
- Indian merchandise exports in dollar terms registered a growth of 30.55 per cent year-on-year in November 2017 at US\$ 26.19 billion, according to the data from Ministry of Commerce & Industry
- The Nikkei India manufacturing Purchasing Managers' Index increased at the fastest pace in December 2017 to reach 54.7, signaling a recovery in the economy.

Road Ahead

- India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.
- India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 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 behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price water house coopers.

(Exchange Rate Used: INR 1 = US\$ 0.0156 as on December 29, 2017)

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

AN OVERVIEW OF INDIAN TEXTILE INDUSTRY

Introduction:

Indian textile industry is the second largest producer of textiles in the world with a massive raw material and textiles manufacturing base. This industry accounts for almost 24% of the world's spindle capacity and 8% of global rotor capacity. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. Economy of India is largely dependent on the textile manufacturing and trade in addition to other major industries. India ranked 2nd in textile export with 6% of global share and stood 5th in apparel export with 4% of global share. Indian textile industry is one of the largest contributors to the country's exports with around 11.4% share in India's total export earnings for the fiscal period ended 2018-19 valuing to nearly USD 37.5 billion (INR 2,596 billion) and growing at a CAGR of 7% since 2004-05. Despite the large share in the global market and contribution of 2.3% of the Indian GDP.



The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. It provides direct employment to over 45 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, growth and all-round development of this industry has a direct bearing on the improvement of the India's economy.

Growth

The Indian textile industry is set for strong growth, buoyed by strong domestic consumption as well as export demand.

The most significant change in the Indian textiles industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production recorded an increase of 10 per cent and filament yarn production grew by 6 per cent in the month of February 2014. MMF production increased by about 4 per cent during the period April 2013–February 2014.

Cotton yarn production increased by about 10 per cent during February 2014 and by about 10 per cent during April 2013–February 2014. Blended and 100 per cent non-cotton yarn production increased by 6 per cent during February 2014 and by 8 per cent during the period April 2013–February 2014.

Cloth production by mill sector registered a growth of 9 per cent in the month of February 2014 and of 6 per cent during April 2013–February 2014.

Cloth production by power loom and hosiery increased by 2 per cent and 9 per cent, respectively, during February 2014. The total cloth production grew by 4 per cent during February 2014 and by 3 per cent during the period April 2013–February 2014.

Textiles exports stood at US\$ 28.53 billion during April 2013–January 2014 as compared to US\$ 24.90 billion during the corresponding period of the previous year, registering a growth of 14.58 per cent. Garment exports from India is expected to touch US\$ 60 billion over the next three years, with the help of government support, said Dr. A Sakthivel, Chairman, Apparel Export Promotion Council (AEPC).

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investment (FDI) worth Rs 6,710.94crore (US\$ 1.11 billion) during April 2000 to February 2014.

The fundamental strength of the textile industry flows from its strong production base of wide range of fibres / yarns from natural fibres like cotton, jute, silk and wool to synthetic /man-made fibres like polyester, viscose, nylon and acrylic. We can just track the strong multi-fibre strong base by highlighting the following important positions reckon by this industry across globe are:

- **Cotton** – Second largest cotton and cellulosic fibres producing country in the world.
- **Silk** – India is the second largest producer of silk and contributes about 18% to the total world raw silk production.
- **Wool** –India has 3rd largest sheep population in the world, having 6.15 crores sheep, producing 45 million kg of raw wool, and accounting for 3.1% of total world wool production. India ranks 6th amongst clean wool producer countries and 9th amongst greasy wool producers.
- **Man-Made Fibres**– the fourth largest in synthetic fibres/yarns globally.
- **Jute** – India is the largest producer and second largest exporter of the jute goods.

Five Important Factors Favoring Growth of the Indian Textile Industry:

1. **Raw material base:** India has high self- sufficiency for raw material particularly natural fibres. India’s cotton crop is the third largest in the world. Indian textile Industry produces and handles all types of fibres.
2. **Labour:** Cheap labour and strong entrepreneurial skills have always been the backbone of the Indian textile Industry.
3. **Flexibility:** The small size of manufacturing which is predominant in the apparel industry allows for greater flexibility to service smaller and specialized orders.
4. **Rich Heritage:** The cultural diversity and rich heritage of the country offers good inspiration base for designers.
5. **Domestic market:** Natural demand drivers including rising income levels, increasing urbanization and growth of the purchasing population drive domestic demand.

A Scenario of the Indian Textile Industry:

India has been well known for her textile goods since very ancient times. The traditional textile industry of India was virtually decayed during the colonial regime. However, the modern textile industry took birth in India in the early nineteenth century when the first textile mill in the country was established at fort gloater near Calcutta in 1818. The cotton textile industry, however, made its real beginning in Bombay, in 1850s. The first cotton textile mill of Bombay was established in 1854 by a Parsi cotton merchant then engaged in overseas and internal trade. Indeed, the vast majority of the early mills were the handiwork of Parsi merchants engaged in yarn and cloth trade at home and Chinese and African markets.

The first cotton mill in Ahmedabad, which was eventually to emerge as a rival Centre to Bombay, was established in 1861. The spread of the textile industry to Ahmedabad was largely due to the Gujarati trading class.

The cotton textile industry made rapid progress in the second half of the nineteenth century and by the end of the century there were 178 cotton textile mills; but during the year 1900 the cotton textile industry was in bad state due to the great famine and a number of mills of Bombay and Ahmedabad were to be closed down for long periods.

Indian Government focused on the Textile Industry:

At present, the only scheme through which Government can assist the industry is the Technology Up gradation Fund Scheme (TUFS) which provides for reimbursing 5% interest on the loans/finance raised from designated financial institutions for bench marked projects of modernization. IDBI, SIDBI, IFCI have been designed as nodal agencies for large and medium small-scale industry and jute industry respectively. They have co-opted 148 leading commercial banks/cooperative banks and financial institutions like State Finance Corporations and State Industrial Development Corporation etc.

Scheme for Integrated Textile Parks (SITP):

To provide the industry with world-class infrastructure facilities for setting up their textile units, Government has launched the Scheme for Integrated Textile Parks (SITP) by merging the Scheme for Apparel Parks for Exports (APE) and Textile Centre Infrastructure Development Scheme (TCIDS). This scheme is based on Public-Private Partnership (PPP) and envisages engaging of a professional agency for project execution. The Ministry of Textiles (MOT) would implement the Scheme through Special Purpose Vehicles (SPVs).

National Textile Corporation Ltd. (NTC):

National Textile Corporation Ltd. (NTC) is the single largest Textile Central Public Sector Enterprise under Ministry of Textiles managing 52 Textile Mills through its 9 Subsidiary Companies spread all over India. The headquarters of the Holding Company is at New Delhi. The strength of the group is around 22000 employees. The annual turnover of the Company in the year 2004-05 was approximately Rs.638 crores having capacity of 11 lakhs Spindles, 1500 Looms producing 450 lakh Kgs of Yarn and 185 lakh Mtrs of cloth annually.

Cotton Corporation of India Ltd. (CCI):

The Cotton Corporation of India Ltd (CCI), Mumbai, is a profit-making Public Sector Undertaking under the Ministry of Textiles engaged in commercial trading of cotton. The CCI also undertakes Minimum Support Price Operation (MSP) on behalf of the Government of India.

The Ministry of Textiles:

The Ministry of Textiles is responsible for policy formulation, planning, and development export promotion and trade regulation in respect of the textile sector. This included all natural and manmade cellulosic fibers that go into the making of textiles, clothing and handicrafts.

Conclusion:

The Indian textile industry is at present is one of the largest and most important sectors in the economy in terms of output foreign exchange earnings and employment in India. The Textile industry has the enriched potential to scale new height in the globalized economy.

The textile industry in India has gone through significant changes in anticipation of increased international competition. The industry is facing numerous problems and among them the most important ones are those of liquidity for many organized sector units, demand recession and insufficient price realization. The long-range problems include the need for sufficient modernization and restructuring of the entire industry to cater more effectively to the demands of the domestic and foreign markets for textiles as per the needs of today and tomorrow. Bricks registered a further growth of 9 percent over the corresponding period of the previous year.

(Source: <https://textilelearner.net/an-overview-of-indian-textile-industry/>)

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Final Letter of Offer, including the information contained in the section titled “Risk Factors” on page no. 25 of the Final Letter of Offer. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us”, “Vaxtex”, “VCL” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian Accounting Policies set forth in the Final Letter of Offer.

COMPANY’S BACKGROUND

Our Company was incorporated as “Foolproof Vyapaar Private Limited” at Kolkata, West Bengal on December 26, 2005 by Mr. Sukanta Kumar Sahu and Mr. Sanjeev Kumar Singh with the main object of trading. Present management took over the Company during 2009 and consequently, registered office of the Company was also shifted to Gujarat. There was not much activity in our Company till 2014-15. Our Company started business of trading in the fabric during FY 2015-16. During initial period, our Company used to deal only in cotton fabrics. Subsequently, we started dealing into other types of fabrics as well but at very small scale. We used to purchase fabrics from grey fabric manufacturers and large wholesalers.

In 2016-17, we started procuring the fabrics directly from the manufacturers at competitive prices and started direct supply. Our major customers were garments manufacturers and very small fabric traders, who used to buy in small quantities. While, in the trading activity, we used to deal mainly in products such as 100% Cotton fabric, Poly cotton fabrics, Poplin fabrics, Satin fabrics, Oxford fabrics, Suiting fabrics. After gaining the knowledge and experience in trading of fabrics, we entered into processing of fabrics in 2017-18. During the month of June 2017, we took factory on rent with existing plant & machinery for processing of fabrics. The plant is located in approx. 50,000 sq.ft. area List of the existing plant & machinery, which was taken on rent.

Presently, we are mainly doing job work for various clients, where-in, the client provides us their grey fabric and we process the same and give finished fabrics to the client. The client pays us fee for the same. Simultaneously, we are also processing own fabric in small quantity and selling it in the market. Once, demand for our own fabric picks-up, we would focus more on sale of own fabrics and reduce the proportion of job work.

We are engaged in the business of Textile processing of fabric and trading. Our Company is engaged in the Processing (dyeing and finishing) of grey fabrics for shirting, suiting, and other accessories and also on outsourcing basis for other fabric / garment companies. We have an installed capacity of 12,00,000 mtrs / month for processing of various fabrics from natural and man - made fibres specializing in 100% cotton, Giza & Supima cotton blended fabrics, polyester viscose and polyester cotton. Our Company procures Grey fabrics and process it into Finish Fabric as per the client’s requirement.

Earlier, prior to 2017, our company was involved in trading business of fabric. We were used to buy ready fabrics and sell into market. In the year 2017, our Company procured machines with latest technology for processing of fabrics and also consequently increased our installed capacity.

We process various fabrics like 100% Cotton – Lycra and Non-Lycra, Blended Cotton Suiting – Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed, Polyester Viscose, Terry Rayon Suiting and Mock Linen. Our Company also undertakes corporate orders for Finished Fabrics for corporate brands. At our processing unit we do the process of Dyeing and finishing of fabrics which is termed as finished fabric and is ready to use for processing. Further finished fabrics are folded, checked and packed as per client’s requirement. Than the packed fabrics are directly sent to our Storage unit or are delivered to client’s go down.

Our processing unit is located at Rakhiyal, Ahmedabad in Gujarat and majority of the manufactured goods are dispatched from this unit itself. We also have a Packing and Storage unit at nearby place to our unit, Rakhiyal, in Gujarat and we dispatch the Stocked goods and certain outsourced processed goods from this unit.

We have a dedicated in-house Testing and Quality Control Team which undertakes rigorous testing and quality management. We have dedicated semi-automatic and manual testing machines. Our Testing and QC team coupled with our testing equipment’s ensure the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

The steps involved in our manufacturing process are as under:

1. Grey unfolding
2. Desizing
3. Bleaching
4. Mercerizing,
5. Heat Setting
6. Ready for Dyeing
7. Jigger Dyeing
8. Drying range
9. Stunter
10. Double zero

Our Product

We are engaged in the business of Processing and trading of Finished Cotton / Cotton Blended Fabrics. Our Company is equipped with state of the art machinery to produce fabrics with the core capability to convert a wide range of Grey Fabrics into finished fabrics and various other Cotton and Cotton Blended Fabrics consisting of 100% Cotton fabric, Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed, Polyester Viscose and Terry Rayon Suiting.

Our products have wide scale applications not limited to processing of ready-made garments. Besides being used for making trousers and suiting garments, our processed fabrics are used for making various clothing and non-clothing items like Jackets, Waist-Coats, Shoes, Caps and Bags to name a few.

Break-up for sales of Shirting, Trousers and Suiting Garments –

- a. 75% is suiting fabric
- b. 25% is shirting fabric

The Grey Fabric which is processed by us is sent to processing units for dyeing, bleaching, etc. thus converting into finished fabrics. Further, our Company also sells Grey Fabric directly to various processing units.

The finished products which is processed and sold by us involve certain processes involving sizing and dyeing of the yarn and / or grey fabric. These activities are outsourced to various third parties and the same is done on invoice basis thus reducing our dependence on such third parties. Our processing and outsourced processes are customized according to the specifications mandated by these customers.

Product Portfolio

Cotton Fabrics:

Cotton fabrics come with more than 100 types was variation is coz of yarn, weaving and processing. We process From 20 count to 80 count of fabrics, From 100 gsm to 550 gsm of fabrics. Cotton fabrics are usually most running fabrics in the market. Cotton fabrics can be processed in many different ways as ore the requirement of the buyer. Various types of cotton fabrics as per yarn count and weave:

1. 30*30 Satin lycra
2. 40*20 satin
3. 40*40 poplin
4. 30*20 slub
5. Dobby fabrics
6. Oxford fabrics
7. Matty fabrics
8. 132*72 20*20 poplin

Polyester Fabrics:

Polyester fabrics are made from polyester yarns which are manmade yarns and then processed in our factory with different parameters.

Viscos Fabrics:

Viscos fabrics are also manmade yarns.

Polyester Cotton Fabrics:

These fabrics are made from mixture of cotton and Polly yarns.

Our Strengths:

❖ Management Expertise

One of our Promoters, Mr. Mithleshkumar Agrawal is engaged in the textiles business for the more than 10 years, and has a proven background and rich experience in the textile industry. For further details of our Promoters' experience and background, please refer the chapter titled "Our Management" on page no. 90 of this Final Letter of Offer. With the combined business acumen and innovative approach, our Promoters have over the years, expanded our scale of operations. Our Company is managed by a team of experienced and professional personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team's experience and their understanding of the textiles business will enable us to continue to take advantage of both current and future market opportunities. It is also expected to help us in addressing and mitigating various risks inherent to our business, including significant competition, reliance on independent agents, and fluctuations in textiles prices.

❖ Established Marketing Setup and Diversified Customer Base

Our Company was incorporated in the year 2005 and presently we are engaged in the manufacturing fabrics and trading of finished fabric. We have an efficient sales & marketing team. The marketing team consists of well experienced and qualified people to develop maintain and increase relations with our customers. Our marketing team also plays an important role in the development of new products based on their study and feedback on latest industrial needs. We maintain our customer relations by meeting them personally and suggesting them value added propositions.

❖ Strategic Location of Manufacturing and Utility Units

Our Company is planning to establish manufacturing unit in the State of Gujarat. Manufacturing unit is strategically located with the following benefits:

- We had already acquired the factory building at Rakhial having area of 18540.99 sq. yard mtr, we are under the process of setting up a manufacturing unit with the capacity of 30,000 units and for the same the Company's requirement of Plant & Machinery and Incremental Working capital is proposed to be catered from this Issue ('Rights Issue'). The total cost of the project is estimated to be Rs. 1207.90 Lakhs
- Raw materials are sourced locally and are easily available and / or deliverable from the manufacturers located in Gujarat to our Unit as majority of our suppliers has nationwide reach. Thus, procurement of raw materials is less time consuming and comparatively cheaper due to savings on time and freight.
- Skilled and semi-skilled workers are easily available in Rakhial, Ahmedabad district, Gujarat in view of the large number of existing and upcoming Textile industries / sectors in these areas.
- Government has created various infrastructural facilities conducive for growth of all manufacturing companies.

❖ Cordial Relationship between management and labour

We enjoy cordial relations with our employees and there has been no union of employees. Further, there have been no strikes, lock-out or any labour protest in our organization since inception.

❖ Strong Technological Capabilities

We use latest technology and machinery procured from major suppliers/distributors in India. We have installed latest machineries like Dyeing Jigger, 8-chamber stunter, Mercariser, Double zero, etc. which are capable of Dyeing fabrics in different Styles and Finishing in different Styles, designs and patterns.. Even the folding and packing processes are carried on latest machines which guarantee quality check and precision. These modern machineries also help us in maintaining high quality standards and thus retain various national and multi- national customers. The latest technology enables radical design and innovation in creating new looks and new trends. Technology has helped us in rolling out new combination of designs and prints.

❖ Consistency in Quality and Service Standards

We follow stringent quality standards in our manufacturing unit to ensure that our products meet required customer standards. These standards ensure the quality consistency of the manufactured product by ensuring that we employ well trained staff, have sufficient premises and equipment for manufacturing.

We have an in-house testing and quality control mechanism having automatic / semi-automatic and mechanical checking machines, operated by skilled operators, under proper quality control and strict supervision. We have Rolling cum checking machines at both our manufacturing and packing & storing units.

❖ **Scalable Business Model**

Our business model is order driven, and comprises of optimum utilization of our manufacturing, processing and trading facilities, maximum capacity utilization, developing linkages with quality raw material suppliers and achieving consequent economies of scale. We believe that this business model has proved successful and scalable for us in the last few financial years. We can scale upward as per the requirement generated by our Company. The business scale generation is basically due to the potential development possibilities of new markets both international and domestic, by adopting aggressive marketing of the product, innovation in the product range and by maintaining the consistent quality of the product.

❖ **Product mix and Market mix**

Our Company deals in a range of products like Shirting fabrics, Suiting Fabrics, Trouser fabrics, jacketing fabrics and Other Accessories etc. Our extensive product portfolio of 100% Cotton – Lycra and Non-Lycra, Giza, Supima, Blended Cotton Suiting – Chief Value Cotton, Polyester Cotton, 100% Cotton Yarn Dyed, Polyester Viscose, Terry Rayon Suiting and Mock Linen has given us immense opportunity to expand and explore new markets. These products have wide scale applications not only in the ready-made garment industry but also in various fashion accessories and footwear.

❖ **Cost effective production and timely fulfillment of orders**

Timely fulfillment of the orders is a prerequisite in our industry. Our Company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve greater cost efficiency These steps include identifying quality Dyes, Chemicals and grey cloth suppliers (which forms a bulk of our raw material cost), smooth labour relations, use of an efficient production system and ability to meet large and varied orders due to our capacity and linkages with raw material suppliers.

Our Company has also enjoyed good relations with our suppliers of Dyes, Chemicals and grey cloth which is the primary raw material for our products and as a consequence has had the benefit of timely supplies of the raw materials which has been one of the major reasons why we have been able to achieve timely fulfillment of orders of our customers. Our Company constantly endeavours to implement an efficient procurement policy for inputs required for production so as to ensure cost efficiency in procurement which in turn results in cost effective production.

❖ **Our SWOT can be briefly summarized below:**

Strengths	Weakness
<ul style="list-style-type: none"> • Experienced Promoters. Running Project. • Superior Product Quality for shirting/suiting collection. 100 % Fine Cotton. • Sound Financial Background • Strategic Locational advantage 	<ul style="list-style-type: none"> • Underutilization of Capacity • More Reliability on job work activities • Dependency on suppliers for product availability
Opportunities	Threats
<ul style="list-style-type: none"> • Large demand • Capability to expand into value added Products • Government incentive/subsidy for growth of textile sector 	<ul style="list-style-type: none"> • Competition • No entry barriers in our industry which puts us to the threat of competition from new entrants • Raw material price fluctuation • Water scarcity • Electric Power cut • Pollution restrictions

Business Strategy:

Our strategic objective is to improve and consolidate our position as a Textile manufacturing Unit with a continuous growth philosophy. The diagram below represents our continuous growth philosophy being implemented on a day-to-day basis. Our continuous growth philosophy is being driven with the strategic levers of operational excellence, strengthening existing services, customer satisfaction, ecosystem development, innovation and marketing.

❖ **Increasing Operational efficiency**

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, QC / QA activities, customer service, consistent quality and technology development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is wide spread among all the employees.

❖ **Expand Our Geographical network**

Our historically developed distribution in domestic market has been critical to our growth. We intend to continue developing and nurturing existing market, and create new distribution channels in under and non-penetrated geographies. We aim to further develop our domestic sales networks in those territories where there are lower transportation costs and those which have a significant demand of our products, where we can sell at price-points that can effectively offset higher transportation costs. Such expansion plans are intended to be effected by in-house examination of the market potential of various territories and our available distribution network in such geographies.

❖ **Enhance our Designing and Creativity**

Our Company has always been driven by the quest to develop a new trend and constantly strives to develop better products which appeal to our constantly growing customer base. Also our company provides mix and match fabric to attract our customers and dealers. Our Company's forte lies in its ability to translate its vision into realities using, technology and personnel who successfully supervise each new venture undertaken.

❖ **Optimal Utilization of Resources**

Our Company constantly endeavours to improve our service process, and will increase manufacturing process 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 analyse our existing policies to be carried out for operations of our Company which enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

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

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the few relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain.

The statements produced below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice.

We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws. For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled "Government and Other Approvals" beginning on page no. 148 of this Final Letter of Offer. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the field of value added wax based Performance Additives.

STATUTORY LEGISLATIONS

The Companies Act, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational and financial aspects of companies. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013

The consolidation and amendment in law relating to Companies Act, 1956 made a way to enactment of Companies Act, 2013. The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner.

The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections 110 have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration payable to the directors by the companies is provided under Part II of the said schedule.

Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWPPR Act”) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines “Sexual Harassment” to include any unwelcome sexually determined behavior (whether directly or by implication). “Workplace” under the SHWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an “Internal Complaints Committee” at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a “Local Complaint Committee” at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

Regulation of Foreign Investment in India

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) which prohibit, restrict and regulate, transfer or issue of securities to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the “automatic route” within the specified sectorial caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectorial limits provided under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

Micro, Small and Medium Enterprises Development Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time (“MSMED Act”) seeks to facilitate the development of micro, small and medium enterprises. The Union Cabinet has approved amendment to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 for classifying MSMEs from current investment in plant and machinery criteria to annual turnover criteria. The purpose of amendment to Section 7 of MSMED Act, 2006 is to encourage ease of doing business, make MSME classification norms growth oriented and align them to new indirect tax regime revolving around Goods & Services Tax (GST). This will define units producing goods and rendering services in terms of annual turnover. It will pave the way for increased direct and indirect employment in the MSE sector of the country.

- a. where the annual turnover does not exceed Rupees Five Crore, an enterprise shall be regarded as a micro enterprise;
- b. where the annual turnover is more than Rupees Five Crore but does not exceed Rupees Seventy Five Crore, an enterprise shall be regarded as a small enterprise;
- c. where the annual turnover is more than Rupees Seventy Five Crore but does not exceed Rupees Two Hundred Fifty Crore, an enterprise shall be regarded as a medium enterprise

The amendment empowers Central Government to vary turnover limits, provided not exceeding thrice the limits specified in Section 7 of MSMED Act by issuing notification.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. The submission of the memorandum by micro and small and medium enterprises engaged in rendering services is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities in accordance with Section 8 of the MSMED Act. The MSMED Act ensures that the buyer of goods or services makes payment for the goods supplied or services rendered to him immediately or before the date agreed upon between the buyer and supplier. The MSMED Act provides that the agreed period cannot exceed forty five days from the day of acceptance of goods or services. The MSMED Act also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest

at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council ("Council"). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

The Trademarks Act, 1999

The Act provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

TAX RELATED LEGISLATIONS

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, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

Customs Regulations

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 administered by Central Board of Excise and Customs under the Ministry of Finance.

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as the Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. A destination based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made there under.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be

made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

GST has replaced the following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling. It is applicable on all goods except for alcohol for human consumption and five petroleum products.

GST council has mandated the implementation of e way bill under GST from April 1, 2018 for interstate movement and from 1st June 2018 for Intra- state Movement of Goods. The E-Way Bill under the GST Regime replaces the Way Bill which was required under the VAT Regime for the movement of Goods. The way bill under the VAT Regime was a physical document which was required to be generated for the movement of goods. The physical document under the VAT Regime has now been replaced with an electronically generated document in the GST Regime.

Eway Bill is an electronic way bill for movement of goods which can be generated on the Eway Bill Portal. Transport of goods of more than ` 50,000 (Single Invoice/bill/delivery challan) in value in a vehicle cannot be made by a registered person without an e way bill. When an e way bill is generated a unique e way bill number (EBN) is allocated and is available to the supplier, recipient, and the transporter.

A Registered person or the transporter may choose to generate and carry e way bill even if the value of goods is less than Rs 50,000.

The requirement of e-way bills for movement of goods within the States /UT will start from 15th April 2018 in a phased manner by grouping the States/UT into four lots. GST Council in the coming days shall announce this arrangement.

Value Added Tax (“VAT”)

The levy of Sales Tax within the state is governed by the Value Added Tax Act and Rules 2008 (“the VAT Act”) of the respective states. The VAT Act has addressed the problem of Cascading effect (double taxation) that were being levied under the hitherto system of sales tax. Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax- that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

Central Sales Tax Act, 1956

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (Monthly/ Quarterly/ Annually) as required by the State sale Tax laws of the assessee authority together with treasury challan or bank receipt in token of the payment of taxes due.

BUSINESS/TRADE RELATED LAWS/REGULATIONS

Amended Technology Up-Gradation Fund Scheme (ATUFS), 2016

Ministry of Textiles, Government of India has notified Amended Technology Upgradation Fund Scheme by way of a notification dated January 13, 2016. In order to promote ease of doing business, promote make in India and increase the employment, government will be providing credit linked Capital Investment Subsidy (CIS) under the ATUFS. The scheme would facilitate augmenting of investment, productivity, quality, employment and exports. It will also increase investment in textile industry (using benchmarked technology). Entities registered as Companies which have acknowledgment of Industrial Entrepreneur Memorandum (IEM) with DIPP except MSMEs units which will be as per ministry of MSME or units registered with the concerned Directorates of the State Government showing clearly the activity for which the unit is registered, will only be eligible to get benefits under the scheme. Only benchmarked machinery as specified will be eligible for the subsidy under the scheme. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted to Rs. 30 Crore.

National Textile Policy – 2000 ("NTxP – 2000")

The objectives of NTxP-2000 Policy inter-alia are to facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing, equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market, liberalize controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment, enable the textile industry to build world class state-of-the-art manufacturing capabilities in conformity with environmental standards, and for this purpose to encourage both Foreign Direct Investment as well as research and development in the textile sector, develop a strong multi-fiber base with thrust of product upgradation and diversification, sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople, enrich human resource skills and capabilities, with special emphasis on those working in the decentralized sectors of the textile industry and for this purpose to revitalize the Institutional structure.

Textile Committee Act, 1963 (the "Textile Committee Act") read with Textiles Committee (Cess) Rules, 1975 (the "Textile Committee Rules")

The Textile Committee Act provides for the establishment of a Committee to be known as the Textiles Committee. The functions of the committee are to ensure by such measures, as it thinks fit, standard qualities of textiles both for internal marketing and export purposes and the manufacture and use of standard type of textile machinery. The committee may undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery; promote export of textiles and textile machinery; establish or adopt or recognize standard specifications for textiles and packing materials used in the packing of textiles or textile machinery, export and for internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials.

As per Section 5A of the Textile Committee Act, there shall be levied and collected a cess a duty of excise on all textiles and on all textile's, machinery manufactured in India not exceeding one percent. The Textile Committee Rules provides that every manufacturer shall furnish to the Textile Committee in duplicate, a return in Form A or in Form B, as the case may be, for each month duly signed by him or any other person authorized by him in this behalf. Also, any amount of cess paid in excess of the cess payable shall, on an application made by the manufacturer to the Textile Committee within a period of one year from the date of such payment, be refunded to him.

Textile (Development and Regulation) Order, 2001 ("Textile Order")

The Textile Order was brought into force by the Central Government under section 3 of the Essential Commodities Act, 1995 and repealed the Textile (Development and Regulation) Order, 1993. Under the Textile Order every manufacturer of Textiles, Textile machinery and every person dealing with textiles shall keep books of accounts, data and other records relating to his business in the matter of production, processing, import, export, supply, distribution, sale, consumption, etc. and shall furnish such returns or information in respect of their business as and when directed by the Textile Commissioner.

The Textile Order further provides that no person shall make any markings on any textiles resembling the brand name or trade name of any other person who has applied for or obtained a registration to that effect under the Trade and Merchandize Marks Act, 1958, except under and limited to the extent of specific authorization by the holder of or application for such brand or trade name.

Cotton Control Order, 1986 ("Cotton Order")

The Cotton Order may specify the maximum quantity of cotton which a manufacturer may have in his possession at any time. The Textile Commissioner may with a view to securing compliance with this Order require any manufacturer to give any information with respect to quantities and varieties of cotton held in his possession, inspect or cause to be inspected any book or other document belonging to the manufacturer; enter and search or authorise any person to enter and search any premises and seize or authorise any person to seize any article in respect of which he has reason to believe that a contravention of this order has been committed and any other article in the premises which he has reason to believe has been or is intended to be used in connection with such contravention.

Export Promotion Capital Goods (EPCG) Scheme

EPCG allows import of capital goods including spares for pre-production, production and post-production at zero duty subject to an export obligation of 6 times of duty saved on capital goods imported under EPCG scheme, to be fulfilled in 6 years reckoned from Authorization issue date. EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers. The Scheme also covers a service provider who is designated / certified as a Common Service Provider (CSP).

EPCG authorization holder can export either directly or through third party (s). Export proceeds are to be realized in freely convertible currency except for deemed exports. Import of capital goods imported under the EPCG scheme shall be subject to Actual User condition till export obligation is completed. Export Obligation under EPCG scheme is required to be fulfilled by export of goods manufactured/services rendered by the applicant. EPCG Authorization holder may also source capital goods from a domestic manufacturer. Such domestic manufacturer shall be eligible for deemed export benefit under Foreign Trade Policy. EPCG Authorization holders can opt for Technological upgradation of existing capital goods imported under EPCG Authorization. Import of second hand capital goods are not permitted under the EPCG scheme.

Factories Act, 1948 (the Factories Act)

The Factories Act defines a 'factory' to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the 'occupier' of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions

Legal Metrology Act, 2009 ("L.M. Act")

The Legal Metrology Act, 2009 ("L.M. Act") governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State.

Legal Metrology (General) Rules, 2011 (the "Rules")

The Legal Metrology (General) Rules, 2011 came into effect from April 1, 2011. It specifies the standards of weight and measures on goods and measuring instruments as per the weight/measures/numbers prescribed under the L.M. Act. Under the Rules every manufacturer and dealer who intend to import any weight or measure shall apply to director, through the Controller of State in which he carries on such business, for registration in form as per Tenth Schedule

Legal Metrology (Packaged Commodities) Rules, 2011 (Packaged Commodity Rules)

The Act also provides for Packaged Commodity Rules, which may be followed for due compliance, if the respective State does not provide for Rules in this regard. The L.M. Rules regulate pre-packaged commodities in India and inter -alia mandate certain labelling requirements prior to sale of such commodities.

LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED

Gujarat Textile Policy, 2015

Earlier, Gujarat Textile Policy, 2012 was operational till 3rd September 2018 and has proved to be a very successful scheme in terms of investment and employment generation. Sectors like Ginning, Spinning and Technical Textiles saw tremendous growth during Gujarat Textile Policy 2012 With the object of continuing leadership position in textile sector, State Government of Gujarat issued Gujarat Textile Policy, 2015. The State Government wants to strengthen entire value chain for overall growth of textile sector in the State of Gujarat. Eligible entities will be provided various incentives under the different schemes of the policy. Major schemes under the policy are as follows:

1. Financial assistance by way of credit linked Interest Subsidy for eligible activities;
2. Power Tariff Subsidy;
3. Assistance for Energy and Water Conservation and Environment Compliances Financial assistance to skill development centres for textile industry;

4. Financial assistance for technology acquisition for value chain; and
5. Support for establishing Textile Park.

Gujarat Factories Rules, 1963 (the “Factories Rules”)

The Factories Rules were notified by State of Gujarat within the framework of Factories Act, 1948 which is a social legislation that has been enacted for occupational safety, health, and welfare of workers at work place. As per the Factories Rules an application for obtaining prior permission for the site on which the factory is to be situated and for the construction or extension of a factory shall be made to the Chief Inspector of Factories which shall grant the license with terms and conditions after being satisfied that there is no objection to the same.

The Gujarat State Tax on Professions, Traders, Callings and Employments Act, 1976 (the “Act”)

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

Gujarat Fire Prevention and Life Safety Measures Act, 2013 (“the act”) and the Gujarat Fire Prevention and Life Safety Measures Rules, 2014 (“the rules”)

The Gujarat Fire Prevention and Life Safety Measure Act, 2013 and the Gujarat Fire Prevention and Life Safety Measures Rules, 2009 provide for more effective provisions for the fire prevention and life safety measures in various types of buildings in different areas in the State of Gujarat. Further, the owner or the occupier shall always maintain the fire prevention and life safety measures in good repair and efficient condition, in accordance with the provisions of the Act or the Rules. The inspecting officer with the previous approval of the Regional Fire Officer or the Chief Fire Officer shall declare the building or premises unfit from fire safety point of view and direct the local body/authority or any other authority concerned to disconnect the electricity and water supply to the building or the premise.

Gujarat Stamp Act, 1958 (the “Stamp Act”)

The purpose of Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

GENERAL LEGISLATIONS

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

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. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer’s right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

The Arbitration and Conciliation Act, 1996

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimise the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

The 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. The provisions of the Competition Act relating to combinations were notified recently 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. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as „Individuals and „Group.

The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

The Consumer Protection Act, 1986 (COPRA)

The Consumer Protection Act, 1986 (COPRA) provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers’ disputes and matters connected therewith. COPRA protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up by the government such as the National Commission, the State Commission and the District Forums. Such redressal forums have the authority to grant the following reliefs, that is, removal of defects, replacement of goods, compensation to the consumer, etc. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels.

Shops and Establishments legislations in various States

Our Company is governed by the various Shops and Establishments legislations, as applicable, in the states where it has its branch offices. These legislations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

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.

Transfer of Property Act, 1882 ("TP Act")

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the TP Act. The TP Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The Indian Stamp Act, 1899

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

The Registration Act, 1908

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The 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.

The Specific Relief Act, 1963

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. "Specific performance" means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

Negotiable Instruments Act, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. 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 honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

The Indian Boilers Act, 1923 ("Boiler Act")

Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use. The Boilers Act also provide for penalties for illegal use of boilers.

OTHER APPLICABLE LAWS

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948, as amended from time to time (“Minimum Wages Act”), was enacted to provide for fixing minimum rates of wages in certain employments. The consequences of failure to adhere to the minimum rates of wages fixed under the Minimum Wages Act is in the form of liability to prosecution and punishment in the form of imprisonment of up to six months and/or fines of up to Rupees Five Hundred. Further, employees having earned less than the minimum wage fixed are entitled to the payment of shortfall amounts, in addition to a compensation, which may extend up to ten times the shortfall amount.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936, as amended from time to time (“Wages Act”) is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in payment of wages. It contains provisions in relation to the responsibility for payment of wages, fixing of wage periods, time of payment of wages, and maintenance of registers and records. It applies to the persons employed in a factory, industrial or other establishment or in a railway, either directly or indirectly, through a sub-contractor. Further, the Wages Act is applicable to employees drawing wages up to Rupees Eighteen Thousand per month.

Employees’ Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Funds and Miscellaneous Provisions Act, 1952, as amended from time to time (“EPF Act”), mandates provisioning for provident fund, family pension fund and deposit linked insurance in factories and other establishments for the benefits of the employees. The EPF Act applies to all establishments engaged in any industry specified in Schedule I (of the EPF Act) that employ 20 (twenty) or more persons and to any other establishment employing 20 (twenty) or more persons or class of such establishments which the Central Government may specify by a notification.

Under the EPF Act, the Central Government has framed the “Employees Provident Fund Scheme”, “Employees Deposit Linked Insurance Scheme” and “the Employees Family Pension Scheme”. Liability is imposed on the employer and the employee to contribute to funds mentioned above, in the manner specified in the EPF Act. 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 require to be made under the above-mentioned schemes.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965, as amended from time to time (“Bonus Act”), provides for payment of bonus based on profit or based on production or productivity, to persons employed in factories or in establishments employing 20 (twenty) or more persons on any day during an accounting year. It ensures that a minimum bonus is payable to every employee regardless of whether the employer has any allocable surplus in the accounting year in which the bonus is payable. Under the Bonus Act, the employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus equal to 8.33% of the salary or wage earned by the employee during the accounting year or Rupees Hundred, whichever is higher.

If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to maximum of 20% of such salary or wage. Allocable bonus is defined as 67% of available surplus in the financial year, before making arrangements for the payment of dividend out of profit of the Company.

Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) and the Employees Provident Fund Scheme, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

Employees' State Insurance Act, 1948

The Employees State Insurance Act, 1948 ("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. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

The Apprentices Act, 1961

The Apprentices Act, 1961, as amended (the "Apprentices Act") regulates and controls the programme of training of apprentices and matters connected there with. The term "Apprentice" means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. "Apprenticeship Training" means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

The Workmen Compensation Act, 1923 ("WCA")

The Workmen Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Equal Remuneration Act, 1976

The Maternity Benefit Act, 1961, as amended from time to time ("Maternity Benefit Act"), is aimed at regulating the employment of women in certain establishments for certain periods before and after child birth and for providing for maternity benefit and certain other benefits. The Maternity Benefit (Amendment) Bill 2016 (the "Amendment Bill"), an amendment to the Maternity Benefit Act, 1961 ("Act"), was passed in Lok Sabha on March 09, 2017, in Rajya Sabha on August 11, 2016 and received an assent from President of India on March 27, 2017.

It applies to all establishments which are factories, mines, plantations, Government establishments, shops and establishments under the relevant applicable legislations, or any other establishment as may be notified by the Central Government. As per the Act, to be eligible for maternity benefit, a woman must have been working as an employee in an establishment for a period of at least 80 days in the past 12 months. In amended act, the period of paid maternity leave (“Maternity Benefit”) that a woman employee is entitled to has been increased to 26 (twenty six) weeks. Further, the Act previously allowed pregnant women to avail Maternity Benefit for only 6 (six) weeks prior to the date of expected delivery. Now, this period is increased to 8 (eight) weeks. Maternity benefit of 26 weeks can be extended to women who are already under maternity leave at the time of enforcement of this Amendment.

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Child Labour (Prohibition and Regulation) Act, 1986

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time (“Child Labour Act”) was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the occupier shall not alter the day so specified more than once in three months.

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 has 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.

Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”)

CLRA has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the Act applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued.

To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

Trade Union Act, 1926

The Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

ENVIRONMENTAL LAWS

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”) and Environment (Protection) Rules, 1986 (“the rule”)

EPA provides for the prevention, control and abatement of pollution and quality of the environment and preventing and abating environmental pollution, the standards for emission or discharge of environmental pollutants from the industries, operations or processes as specified in Schedule I and shall not exceed the relevant parameters and standards specified in Schedule VI in the rules. 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.

Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)

Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the Provisions of the Environment (Protection) Act, 1986.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 as amended (“Hazardous Wastes Rules”)

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state pollution control board for collecting, recycling, reprocessing, disposing, storing and treating the hazardous wastes.

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

The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. In respect to an Industrial Undertaking it applies to the (i) Occupier (the owner and management of the undertaking) (ii) Outlet (iii) Pollution and (iv) Trade effluents. The Act requires that approvals be obtained from the corresponding Pollution Control Boards in the state.

Water (Prevention and Control of Pollution) Cess Act, 1971

The Water (Prevention and Control of Pollution) Cess Act, 1971 provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

Air (Prevention and Control of Pollution) Act, 1981, as amended (the “Air Act”)

With a view to ensuring that the standards for emission of air pollutants are complied with, the State Government shall, in consultation with the State Board, give such instructions as may be deemed necessary to the concerned authority and such authority shall, notwithstanding anything contained in that Act or the rules made thereunder be bound to comply with such instructions.

Guidelines for in-use Generator sets (Noise and Emissions)

Central Pollution Control Board (CPCB) has prescribed guidelines for emission and noise pollution of gensets up to 1000 KVA. The said guidelines are effective from January 15, 2008 for system procedure for compliance with noise limits.

INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

1. Indian Copyright Act, 1957;
2. The Trade Marks Act, 1999;
3. The Designs Act, 2000; and
4. The Patents Act, 1970.

The Acts applicable to our Company will be:

The Indian Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999 (“TM Act”)

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

Patents Act, 1970 ("Patent Act")

The Patents Act, 1970 (Patents Act) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

Design 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.

OTHER LAWS

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade ("DGFT") for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. DGFT is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999 ("FEMA")

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

FEMA Regulations

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. 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.

The Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), has issued consolidated FDI Policy Circular of 2017 ("**FDI Policy 2017**"), which with effect from August 28, 2017, 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 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India ("**RBI**") also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

In addition to the above, our Company is also required to comply with the provisions other applicable statutes imposed by the Centre or the State for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as “Foolproof Vyapaar Private Limited” at Kolkata, West Bengal as a Private company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 26, 2005 bearing Corporate Identification Number U51109WB2005PTC106869 issued by Registrar of Companies, Kolkata, West Bengal. Consequent the name of the company was changed from “Foolproof Vyapaar Private Limited” to “Vortex Cotfab Private Limited” as approved by shareholders of our company pursuant to a special resolution dated December 18, 2015 and Certificate of Incorporation was issued by Registrar of Companies Ahmedabad, Gujarat dated December 30, 2015. Consequent upon the conversion of our Company to public limited company and as approved by the shareholders of our company pursuant to a special resolution dated March 05, 2018, the name of our Company was changed to “Vortex Cotfab Limited” and fresh certificate of incorporation dated March 21, 2018 was issued by the Registrar of Companies, Ahmedabad, Gujarat. The Corporate Identification Number of our Company is L51109GJ2005PLC076930.

Our Company was incorporated as “Foolproof Vyapaar Private Limited” at Kolkata, West Bengal on - December 26, 2005 by Mr. Sukanta Kumar Sahu and Mr. Sanjeev Kumar Singh with the main object of trading. Present management took over the company during 2009 and consequently, registered office of the Company was also shifted to Gujarat. There was not much activity in our company till 2014-15. As on date, old management or erstwhile promoter was not associated with the Company.

Our company started business of trading in the fabric during FY 2015-16. During initial period, our company used to deal only in cotton fabrics. Subsequently, we started dealing into other types of fabrics as well but at very small scale. We used to purchase fabrics from grey fabric manufacturers and large wholesalers.

In 2016-17, we started procuring the fabrics directly from the manufacturers at competitive prices and started direct supply. Our major customers were garments manufacturers and very small fabric traders, who used to buy in small quantities.

While, in the trading activity, we used to deal mainly in the following products:

1. 100% Cotton fabric,
2. Poly cotton fabrics
3. Poplin fabrics
4. Satin fabrics
5. Oxford fabrics
6. Suiting fabrics.

We are engaged in the business of Textile processing of fabric and trading. Our Company is engaged in the Processing (dyeing and finishing) of grey fabrics for shirting, suiting, and other accessories and also on outsourcing basis for other fabric / garment companies. We have an installed capacity of 12,00,000 mtrs / month for processing of various fabrics from natural and man - made fibres specializing in 100% cotton, Giza & Supima cotton blended fabrics, polyester viscose and polyester cotton. Our Company procures Grey fabrics and process it into Finish Fabric as per the client's requirement. Wherever applicable please refer to chapter titled “*Our Business*”, “*Industry Overview*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 65, 59 and 139 respectively of this Final Letter of Offer.

REGISTERED OFFICE:

Registered Office of the Company is presently situated at J-03 (GF to 4th Floor) Tejendra Arcade, Nr, Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmadabad City, Ahmedabad – 380023, Gujarat. The Registered office of our Company has been changed from time to time since incorporation, details of which are given hereunder:

Date of Change of Registered office	Registered Office	
On Incorporation	60, S.K.DEB Road, Patipukur, Kolkata – 700048, West Bengal	
	Changed from	Changed to
July 14, 2012	60, S.K.DEB Road, Patipukur, Kolkata – 700048, West Bengal	307 Shital Varsha Arcade, Opp. Girish Cold Drings, C.G.Road, Ahmedabad - 380026,

February 15, 2018	307 Shital Varsha Arcade, Opp. Girish Cold Drings, C.G.Road, Ahmedabad - 380026,	Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad - 382405
May 08, 2023	Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad - 382405	J-03 (GF to 4 th Floor) Tejendra Arcade, Nr. Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmadabad City, Ahmedabad - 380023

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

1. Change of Name

Date of Amendment	Particulars
December 18, 2015	Vaxtex Cotfab Private Limited – Change of name of the Company consequent to special resolution passed by the shareholders in the Extra Ordinary General Meeting.
March 5, 2018	Vaxtex Cotfab Limited – Change of name of the Company consequent to conversion of Company from Private Limited to Public Limited.

2. Authorized Capital

The following changes have been made in the Memorandum of Association of our Company since its inception:

Date of Amendment	Particulars
March 31, 2006	Increase in authorized share capital from ` 3 Lakh to ` 41 Lakh.
April 26, 2019	Increase in authorized share capital from ` 41 Lakh to ` 625 Lakh.
December 13, 2021	Increase in authorized share capital from ` 625 Lakh to ` 1100 Lakh.
March 8, 2022	Sub-division of Equity shares from face value of Rs. 10/- to face value of Rs. 2/- each.
May 20, 2022	Increase in authorized share capital from ` 1100 Lakh to ` 1700 Lakh.
February 1, 2023	Sub-division of Equity shares from face value of Rs. 2/- to face value of Re. 1/- each.
July 6, 2023	Increase in authorized share capital from ` 1700 Lakh to ` 1900 Lakh.

Object Clause

Date of Amendment	Particulars
September 30, 2015	Alteration in Clause III(A) –Object Clause by; A. Append following sub-clause (4) after sub clause (3): “To carry on the business as weavers or otherwise manufacturers, buyers, sellers, importers, exporters and dealers of silk, art silk, synthetic, woolen and cotton fabrics and other fibrous products including dressing and furnishing materials, uniforms, readymade garments, carpets and carpet backing, blankets padding knitted goods, woven bags, hosiery gloves, yarn and sewing thread and, To carry on the business of packing, grading, crimping, twisting, texturing, bleaching dyeing, printing, mercerizing or otherwise processing yarn, cloth, carpets, blankets and other textile goods, whether made from cotton, jute, wool, silk, art silk, synthetic and other fibers or blends thereof”

Major Events

The major events of the company since its incorporation in the particular year are as under:

Financial Year	Events
2005-06	Our Company was incorporated as Foolproof Vyapaar Private Limited
2017-18	Setting up of Manufacturing unit at Narol
2017-18	Our Company was converted into Public Limited Company
2019-20	Our Company was listed on Emerge platform on National Stock Exchange of India Limited (NSE)
2021-22	Our Company has allotted 40,15,663 Bonus Equity Shares as on record date i.e. 27 th December, 2021
2022-23	Migration from NSE Emerge platform to Capital Market Segment (Main Board) of NSE
2023-24	Our Company has allotted 2,58,98,470 Equity Shares on preferential basis
2023-24	Setting up of Manufacturing unit at Rakhial

Subsidiaries / Holdings of the Company

Our Company does not have any holding company and nor it has any subsidiary company/(ies)

Raising of Capital in form of Equity

For details of increase in equity capital of our company please refer section “Capital Structure” on page no. 46 of this Final Letter of Offer.

Injunction and restraining order

Our company is not under any injunction or restraining order, as on date of filing of the Final Letter of Offer.

Managerial Competence

For managerial Competence please refer to the section “Our management” on Page no. 90 of this Final Letter of Offer.

Acquisitions / Amalgamations / Mergers/ Revaluation of assets

No acquisitions / amalgamations / mergers or revaluation of assets have been done by the company.

Total number of Shareholders of Our Company

As on the date of filing of this Final Letter of Offer, the total number of equity shareholders are 31,040. For more details on the shareholding of the members, please see the section titled “Capital Structure” at page no. 46 of this Final Letter of Offer.

Main Objects as set out in the Memorandum of Association of the Company

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

To carry on the business as weavers or otherwise manufacturers, buyers, sellers, importers, exporters and dealers of silk, art silk, synthetic, woolen and cotton fabrics and other fibrous products including dressing and furnishing materials, uniforms, readymade garments, carpets and carpet backing, blankets padding knitted goods, woven bags, hosiery gloves, yarn and sewing thread and, To carry on the business of packing, grading, crimping, twisting, texturing, bleaching dyeing, printing, mercerizing or otherwise processing yarn, cloth, carpets, blankets and other textile goods, whether made from cotton, jute, wool, silk, art silk, synthetic and other fibers or blends thereof.

Shareholders' Agreements

Our Company has not entered into any shareholders agreement as on the date of filing this Final Letter of Offer.

Other Agreements

As on the date of this Final Letter of Offer our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Final Letter of Offer.

Strategic Partners

Our Company is not having any strategic partner as on the date of filing this Final Letter of Offer.

Financial Partners

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Final Letter of Offer.

OUR MANAGEMENT


Our Articles of Association require us to have not less than 3 Directors and not more than 15 Directors, subject to the applicable provisions of the Companies Act, 2013.

Set forth below are details regarding our Board as on the date of this Final Letter of Offer.


BOARD OF DIRECTORS

We currently have Six (6) directors on our Board.

Sr. No.	Name	Designation	DIN
1.	Mr. Mithleshkumar M. Agrawal	Managing Director	03468643
2.	Mr. Aakash Rajeshbhai Thakor	Non-Executive Director	07960192
3.	Mr. Kunjal Jayantkumar Soni	Independent Director	08160838
4.	Mr. Pranav Manoj Vajani	Independent Director	09213749
5.	Ms. Ziral Soni	Independent Director	09213763
6.	Mr. Digesh Mansukhlal Deshaval	Independent Director	09218553

	Mr. Mithleshkumar Agrawal
Date of Birth	25 th January, 1963
Address	H13, Bisambar Appt., Near Ambar Cinema, Bapu Nagar, Ahmedabad 380024
Qualification	SSC – Rajasthan
Experience	Mr. Mithleshkumar Agrawal aged 60 years, is the Managing Director of the Company since 9 th March, 2022. He is also promoter of our Company. He passed secondary examination from Rajasthan Board. He looks after the administration part of the Company. He has more than 10 years of experience in textile industry. He is associated with our company since February 15, 2018. Our Company has witnessed continuous growth under his guidance.
Occupation	Self-Employment
Permanent Account Number	AVCPA6038M
Voter Identification Card Number	SDL1573211
Driving License Number	N.A.
Passport Number	N.A.
Aadhaar Number	5989 5389 0883

No. of Equity Shares held in [% of Shareholding]	2,33,330 Equity Shares representing 0.18% of the Paid-up Capital
Other Interests	<p><u>Directorships:</u></p> <p>Public Limited Company: Nil Private Limited: Vax Enterprise Private Limited (<i>Formerly known as Miracle Stores Private Limited</i>) Partnerships: Nil HUF: Nil</p>

	Mr. Khushant Gupta
Date of Birth	8 th November, 1997
Address	7, Gururamdas Society, Nr Amber Cinema, Bapunagar, Ahmedabad – 380024, Gujarat
Qualification	B.com – Gujarat University
Experience	Mr. Khushant Gupta, aged about 25 years, is the Promoter of the company. He has an experience of two years in the field of Textile Industry. He has completed his graduation from Gujarat University in the year 2018.
Occupation	Self-Employment
Permanent Account Number	BYLPG9497F
Voter Identification Card Number	SDL1944537
Driving License Number	GJ27 20140009056
Passport Number	T2825830
Aadhaar Number	3016 1366 3424
No. of Equity Shares held in [% of Shareholding]	1,83,330 Equity Shares representing 0.15% of the Paid-up Capital
Other Interests	<p><u>Directorships:</u></p> <p>Public Limited Company: Nil Private Limited: Qmin Industries Limited (<i>Formerly known as Qmin Pharma Private Limited</i>) Vax Enterprise Private Limited (<i>Formerly known as Miracle Stores Private Limited</i>) Qmin Food World Private Limited Qmin Infotech Private Limited Partnerships: Nil HUF: Nil</p>

Details of Corporate Promoters:

i. Qmin Industries Limited (Formerly known as Qmin Pharma Private Limited)

Corporate Information

M/s. Qmin Industries Limited (Formerly known as Qmin Pharma Private Limited) is the Corporate Promoter of our Company. The Company was incorporated on December 18, 2009 under the Companies Act, 1956 with a certificate of incorporation issued by the Registrar of Companies, Ahmedabad and the Company was converted from 'Private Limited Company' to 'Public Limited Company' on July 17, 2023, under the Companies Act, 2013 with a certificate of incorporation consequent upon conversion to public company issued by the Registrar of Companies, Ahmedabad Its Corporate Identification Number is U51100GJ2009PLC058937 and its registered office is located at 706, Viva Atelier, Nr. Ketan Society, Naranpura, Ahmedabad – 380013. The Paid up share capital of the Company is Rs. 3,01,00,000/-.

Nature of Business

The Main objects of the Company are as follows:

1. To carry on the business of manufacturing, processing, distilling, compounding, formulating, acquiring, buying, selling, importing, exporting and dealing in chemicals heavy or fine, organic, inorganic, biological or any other formulations, derivatives and compounds thereof from mineral origin or from other chemicals or from by-products or waste products of other trades and industries and other branded preparations and compounds, derivatives and formulations thereof such as Weighting Agent, Softner, Silicon, Sulphur black, Khadi, and consumers products based thereon, also based on pharmaceutical specialties, surgical specialties, cosmetics, germicides, detergents and acids.
2. To carry on the business of buying, selling, importing, exporting, trading, or otherwise dealing in all products of coal and other by-products of coal.

Capital Structure

The Capital structure of M/s. Qmin Industries Limited (Formerly known as Qmin Pharma Private Limited) as on date is as under:

Particulars	No. of Equity Shares
Authorised Share Capital	60,00,000 Equity shares of Rs. 10/- each
Issued, Subscribed and Paid-up Capital	30,10,000 Equity shares of Rs. 10/- each

Shareholding Pattern

Sr. No.	Name of Shareholders	No. of shares held	% of shareholding
1.	Khushant Gupta	17,75,900	59.00
2.	Keyur Gupta	12,21,960	40.60
3.	Pritam Rathod	3,010	0.10
4.	Pushpendra Gaur	3,010	0.10
5.	Sneh Sangani	3,010	0.10
6.	Yogesh Salunke	3,010	0.10
7.	Dhruv Bhavsar	100	0.00
	Total	30,10,000	100.00

Board of Directors

As on the date of this Final Letter of Offer, the Board of Directors of M/s. Qmin Industries Limited (Formerly known as Qmin Pharma Private Limited) consists of Mr. Khushant Gupta, Ms. Chinu Kalal, Mr. Ashutosh Jeowani and Mr. Keyur Gupta.

Financial Information

Certain details of the Standalone audited financial results of M/s. Qmin Industries Limited (*Formerly known as Qmin Pharma Private Limited*) for preceding 2 financial years are set forth below:

Particulars	As on 31 st March	
	2022	2021
Authorised Capital	28,00,000	1,00,000
Equity Capital	1,00,000	1,00,000
Reserves and Surplus	18,50,278	1,04,377
Total Income	18,57,40,326	3,23,45,311
Profit / (Loss) after tax	17,45,901	1,03,561
Earnings per share (Rs.)	174.59	10.36
Face Value	10.00	10.00

Certain details of the Consolidated audited financial results of M/s. Qmin Industries Limited (*Formerly known as Qmin Pharma Private Limited*) for preceding 2 financial years are set forth below:

Particulars	As on 31 st March	
	2022	2021
Authorised Capital	28,00,000	1,00,000
Equity Capital	1,00,000	1,00,000
Reserves and Surplus	1,36,26,165	72,97,779
Total Income	18,57,40,326	3,23,45,311
Profit / (Loss) after tax	70,97,606	13,99,106
Earnings per share (Rs.)	709.76	139.91
Face Value	10.00	10.00

Interest of our Promoters

Our Promoter, Khushant Gupta is interested to the extent of their shareholding in M/s. Qmin Industries Limited (*Formerly known as Qmin Pharma Private Limited*) being 17,75,900 Equity Shares constituting 59% of the issued and paid-up equity share capital of M/s. Qmin Industries Limited (*Formerly known as Qmin Pharma Private Limited*).

ii. M/s. Vax Enterprise Private Limited (*Formerly known as Miracle Stores Private Limited*)

Nature of Business

The Main objects of the Company are as follows:

1. To sell, purchase, import, export, deal in and setup, run and franchise chain of retail stores dealing in furniture and furniture accessories, home and office accessories, gift including vases, frames, candle, decorative, pieces, wallpapers, art and pictures, clock, pots, desk accessories, mirror, glasses, incense, hardware, lights and lights fixtures, aircrafts and handicraft items made of all material, silver and artificial jewellery, home textile and home furnishings bath products, ready-made garments.
2. To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever in all type of goods including agriculture products on retail as well as on wholesale basis in India or outside India.
3. To develop, design, structure, establish, maintain, market, buy, import, export, sell, provide, license, implement and set up Support Services business and units, Business Services businesses and units, Support Centers, Business Centers, Software/Computer Software businesses, centers and units, Information Technology Enabled businesses, centers and units and Information Technology businesses, centers and units in India or outside India.

Capital Structure

Particulars	No. of Equity Shares
Authorised Share Capital	50,000 Equity shares of Rs. 10/- each
Issued, Subscribed and Paid-up Capital	10,000 Equity shares of Rs. 10/- each

Shareholding Pattern

Sr. No.	Name of Shareholders	No. of shares held	% of shareholding
1.	Bharti Gupta	5,100	51.00
2.	Khushant Gupta	4,900	49.00
	Total	10,000	100.00

Board of Directors

As on the date of this Final Letter of Offer, the Board of Directors of Vax Enterprise Private Limited (*Formerly known as Miracle Stores Private Limited*) consists of Mr. Mithleshkumar M. Agrawal and Mr. Khushant Gupta.

Financial Information

Certain details of the Standalone audited financial results of M/s. Vax Enterprise Private Limited (*Formerly known as Miracle Stores Private Limited*) for preceding 2 financial years are set forth below:

Particulars	As on 31 st March	
	2022	2021
Authorised Capital	5,00,000	5,00,000
Equity Capital	1,00,000	1,00,000
Reserves and Surplus	(93,81,493)	1,20,783
Total Income	17,54,35,850	4,16,75,131
Profit / (Loss) after tax	(95,02,276)	50,319
Earnings per share (Rs.)	(950.23)	5.03
Face Value	10.00	10.00

Certain details of the Consolidated audited financial results of M/s. Vax Enterprise Private Limited (*Formerly known as Miracle Stores Private Limited*) for preceding 2 financial years are set forth below:

Particulars	As on 31 st March	
	2022	2021
Authorised Capital	5,00,000	5,00,000
Equity Capital	1,00,000	1,00,000
Reserves and Surplus	26,44,187	67,94,758
Total Income	17,54,35,850	4,16,75,131
Profit / (Loss) after tax	(41,50,571)	6,92,596
Earnings per share (Rs.)	(415.06)	69.26
Face Value	10.00	10.00

Interest of our Promoters

Our Promoter, Mr. Khushant Gupta is interested to the extent of their shareholding in M/s. Vax Enterprise Private Limited (*Formerly known as Miracle Stores Private Limited*) being 4,900 Equity Shares constituting 49% of the issued and paid-up equity share capital of M/s. Vax Enterprise Private Limited (*Formerly known as Miracle Stores Private Limited*).

Payment or benefit to Promoters of our Company

Except as disclosed herein and as stated in the section titled "*Financial Statements – Related Party Transactions*" on page no. 134 of this Final Letter of Offer there has been no amounts paid or benefits granted by our Company to our Promoters or any of the members of the Promoter Group in the preceding two years nor is there any intention to pay any amount or provide any benefit to our Promoters or Promoter Group as on the date of this Final Letter of Offer.

Other confirmation

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

Our Promoters have not been declared as willful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Our Promoters and Promoter Group entities have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters are not and have never been a promoter, director or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the Promoter Group Companies have made any public issue in the preceding three years. None of Promoter Group Companies fall under the definition of a sick company within the meaning of the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, as amended or have been declared insolvent or bankrupt under the provisions of the Insolvency and Bankruptcy Code, 2016, as amended or have any insolvency or bankruptcy proceedings initiated against any of them and is not under winding up.

For details on litigations and disputes pending against the Promoters, please refer to the section titled '*Outstanding Litigations and Material Development*' on page no. 143 of the Final Letter of Offer.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations, 2018 are set out below:

A. Natural Persons who are Part of the Promoter Group

Relationship	Mrs. Bharti Gupta
Father	Radheshyam Agrawal
Mother	Savita Ben Agrawal
Spouse	Kailash Gupta
Daughter	Kresha Gupta
Son	Jaimin Gupta
Brother	Chetan Agrawal
Sister	Hemali Pandya
Spouse's Father	Gangasahay Gupta
Spouse's Mother	Chandaben Gupta
Spouse's Brother	Vishnudutt Gupta
Spouse's Sister	Sumitra Agrawal

Details of current and past directorship(s) of the above Directors in listed companies whose shares have been / were suspended from being traded on any of the stock exchanges, during his/her tenure.

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Letter of Offer, during the term of his/her directorship in such company.

Details of current and past directorship(s) of the above Directors in listed companies which have been/ were delisted from the stock exchange(s), during his/her tenure.

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 term of his/her directorship in such company.

Corporate Governance

Audit Committee

Our Company has formed the Audit Committee as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's equity shares on National Stock Exchange of India Limited (NSE). The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Pranav Manoj Vajani	Chairman	Independent Director
Mr. Aakash Thakor	Member	Non-Executive Director
Ms. Ziral Soni	Member	Independent Director

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. 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 (4) times in a year and not more than one hundred twenty (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 at least one Independent Director at each meeting.
- C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:
- i. Recommendation for appointment, remuneration and terms of appointment of Internal and Statutory Auditors' of the Company;
 - ii. Review and monitoring of the Auditors' independence and performance, an effectiveness of the Audit process;
 - iii. Review and examination of the, the quarterly, half yearly and yearly financial statements and report of the Auditors' thereon;
 - iv. Overview of the Company's financial reporting process and the disclosure of its financial Information to ensure that financial information is correct, sufficient and credible;
 - v. Reviewing, with the management, financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause 134 of the Companies Act,2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the audit report;
 - vi. Approval or any subsequent modification of transaction of the Company with the related parties;
 - vii. Scrutiny of Inter corporate loans and investments;
 - viii. Valuation of the undertakings or assets of the Company, wherever it is necessary;
 - ix. 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;
 - x. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

- xi. 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;
- xii. 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;
- xiii. To recommend and review the functioning of the vigil mechanism/ Whistle Blower mechanism;
- xiv. To recommend the appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- xv. To obtain outside legal or other professional advice wherever required;
- xvi. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's equity shares on National Stock Exchange of India Limited (NSE). The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Aakash Thakor	Chairman	Non-Executive Director
Mr. Pranav Manoj Vajani	Member	Independent Director
Ms. Ziral Soni	Member	Independent Director

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 once 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 minimum two (2) members, out of which at least one (1) shall be an independent director.
- C. Scope and Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
 - i. To ensure effective and efficient system for transfer, transmission, dematerialization, re-materialization, splitting and consolidation of shares and other securities;
 - ii. To ensure effective and efficient system for time attendance and resolution to the grievances of all securities holders of the Company and resolve all the grievances of securities holders of the Company;
 - iii. To monitoring the transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by the Company;
 - iv. To issue of duplicate/split/consolidated share and other securities certificates;
 - v. To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers;
 - vi. To attend to any other responsibility as may be entrusted by the Board within the terms of Reference.

Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Section 178 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of Company's equity shares on Emerge Platform of National Stock Exchange of India Limited (NSE). The Nomination and Remuneration Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Pranav Manoj Vajani	Chairman	Independent Director
Mr. Aakash Thakor	Member	Non-Executive Director
Ms. Ziral Soni	Member	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 Chairman 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. Scope and Terms of Reference:

- i. To ensure formal and transparent procedures for the selection and appointment of new directors and succession plans;
- ii. To identify and lay down the criteria and procedures for appointment of senior management and in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- iii. To formulate the criteria and policies 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;
- iv. To recommend to the Board, the appointment and remuneration for Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors and other KMP from time to time;
- v. To implement supervise and administer any share or stock option scheme of the Company;
- vi. To formulate and implement the policies for evaluation of the performance of the Members of the Board and other KMP;
- vii. To attend to any other responsibility as may be trusted by the Board within the terms of reference.

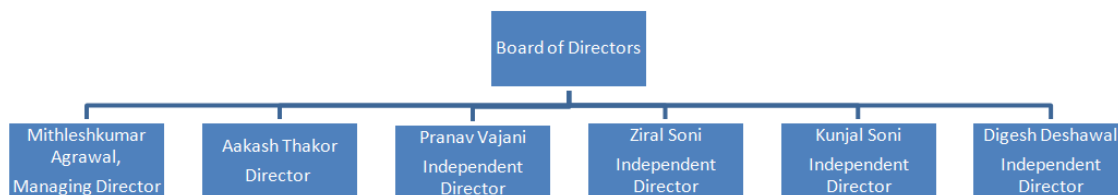
Composition of Board of Directors

Composition of Board of Directors is set forth in the below mentioned table:

Sr. No.	Name	Designation	DIN
1.	Mr. Mithleshkumar M. Agrawal	Managing Director	03468643
2.	Mr. Aakash Rajeshbhai Thakor	Non-Executive Director	07960192
3.	Mr. Kunjal Jayantkumar Soni	Independent Director	08160838
4.	Mr. Pranav Manoj Vajani	Independent Director	09213749
5.	Ms. Ziral Soni	Independent Director	09213763
6.	Mr. Digesh Mansukhlal Deshaval	Independent Director	09218553

Management Organization Structure

The Management Organization Structure of the Company is depicted from the following chart:



Key Managerial Personnel

Mithleshkumar M. Agrawal
Managing Director

Pratapsingh Zala
Chief Financial Officer

Vinita Keswani
Company Secretary

Our Key Management Personnel

The Key Managerial Personnel of our Company other than our Executive Director are as follows:-

Sr. No.	Name of Person	Designation
1.	Mr. Mithleshkumar M. Agrawal C/o Vaxtex Cotfab Limited J-03 (GF to 4 th Floor) Tejendra Arcade, Nr, Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmadabad City, Ahmedabad - 380023 Contact No.: +91-9727170232	Managing Director
2.	Mr. Pratapsingh Zala C/o Vaxtex Cotfab Limited J-03 (GF to 4 th Floor) Tejendra Arcade, Nr, Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmadabad City, Ahmedabad - 380023 Contact No.: +91-9727170232	Chief Financial Officer
3.	Ms. Vinita Keswani C/o Vaxtex Cotfab Limited J-03 (GF to 4 th Floor) Tejendra Arcade, Nr, Ganjifarak Mill Compound, Nr. Rakhial Char Rasta, Rakhial, Ahmadabad City, Ahmedabad - 380023 Contact No.: +91-9727170232	Company Secretary

Bonus or Profit sharing plan for the Key Management Personnel

Our Company does not have any bonus or profit sharing plan for our Key Managerial personnel.

DIVIDEND POLICY

The declaration and payment of final dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

The Board of Directors of your Company has approved and adopted the Dividend Distribution Policy of the Company on voluntary basis as per SEBI (LODR) Regulation 2015. The Dividend Distribution Policy is available on the website of the company at [Our Company](#) has not declared any Dividend in the last three financial years.

Dividends are payable within thirty days of approval by the Equity Shareholders at the annual general meeting of our Company and in case of interim dividend within thirty days of declaration by the Board of Directors. When dividend is declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

SECTION VI - FINANCIAL INFORMATION

Sr. No.	Particulars	Page Nos.
1.	The Independent Auditor's Review Report and Audited Financial Results for the Quarter and Year ended period ended on 31 st March, 2023.	102 – 107
2.	The Statutory Auditor's Report and the Audited Financial Statements for the period ended on 31 st March, 2022.	108 – 138

The following tables set forth financial information derived from our Audited Financial Statements for the Financial Year ended on 31st March, 2022 and the Independent Auditor's Review Report and Audited Financial Results for the Quarter and Year ended period ended on 31st March, 2023 prepared in accordance with Regulation 33 of SEBI (LODR) Regulations, 2015. We have not given Restated Financials because we fall under Part - B of SEBI (ICDR), Regulations, 2018.

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Independent Auditor's Review Report on Quarter and year to date Audited Financial Results of the company pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended

To,
The Board of Directors
Vaxtex Cotfab Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying Statement of quarterly and year to date Financial Results of Vaxtex Cotfab Limited (the 'Company') for the quarter ended 31st March, 2023 and for the year ended 31st March, 2023 (the 'Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- I. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- II. gives a true and fair view in conformity with the applicable Indian accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended 31st March, 2023 and for the year ended 31st March, 2023.

Basis for opinion

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

Management's Responsibility for the financial results

The statement has been prepared on the basis of the annual financial statements.

UDIN : 23403437BGWDDU2881



The Company's Board of Directors is responsible for the preparation and presentation of the statement that give a true and fair view of net profit and other comprehensive loss of the company and other financial information in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the listing regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

UDIN : 23403437BGWDDU2881



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The Statement includes the results for the quarter ended 31st March, 2023 being the balancing figure between the audited figures in respect of the full financial year ended 31st March, 2023 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.



For S S R V and Associates
(Chartered Accountants)
FRN No.: 135901W



Vishnu Kant Kabra
(Partner)
Mem No.: 403437
Date.: 8th May, 2023

Place.: Ahmedabad

UDIN : 23403437BGWDDU2881

VAXTEX COTFAB LIMITED CIN :L51109GJ2005PLC076930 Address: Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2023 (In Lakhs)		
Particulars	As at 31.03.2023	As at 31.03.2022
A ASSETS		
1 Non-Current Assets		
(a) Property, Plant and Equipment	364.88	390.42
(b) Capital work-in-progress		
(c) Investment Property		
(d) Goodwill		
(e) Other Intangible Assets		
(f) Intangible Assets under Development		
(g) Biological Assets other than Bearer Plants		
(c) Financial Assets	7.50	7.50
(i) Investments		
(ii) Trade Receivables		
(iii) Loans		
(d) Other Non-Current Assets		
(e) Income Tax Asset Net		
Sub-total - Non-Current Assets	372.38	397.92
2 Current Assets		
(a) Inventories	134.25	540.76
(b) Financial Assets		
(i) Investment	102.77	97.36
(ii) Trade Receivables	1822.07	619.46
(iii) Cash and Cash Equivalents	9.30	14.94
(iv) Bank Balances other than (iii) above		
(v) Loans	4130.76	594.89
(vi) Others (to be specified)	30.70	30.70
(c) Current Tax Assets (Net)	15.78	66.33
(d) Other Current Assets	330.44	36.45
Sub-total - Current Assets	6576.08	2000.90
TOTAL - ASSETS	6948.47	2398.83
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	1262.90	1003.92
(b) Other Equity-RESERVES& SURPLUS	1085.33	32.02
Sub-total - Equity	2348.24	1035.94
Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	517.56	603.31
(ii) Trade Payables		
(iii) Other Financial Liabilities (other than those specified in item (b), to be specified)		
(b) Provisions		
(c) Deferred Tax Liabilities (Net)	24.09	24.08
(d) Other Non-Current Liabilities		
Sub-total - Non Current Liabilities	541.65	627.39
2 Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	1.67	142.01
(ii) Trade Payables	2940.47	526.11
(iii) Other Financial Liabilities		
(b) Other Current Liabilities	1115.39	11.77
(c) Provisions	1.06	55.60
(d) Current Tax Liabilities (Net)		
Sub-total - Current Liabilities	4058.58	735.49
TOTAL - EQUITY AND LIABILITIES	6948.47	2398.83
		-0.01
 Place: Ahmedabad Date- 08/05/2023	FOR, VAXTEX COTFAB LIMITED  Nithleshkumar Agrawal Managing Director DIN :03468643	

Vaxtex Cotfab Limited
CIN :L51109GJ2005PLC076930

Registered Address: Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad - 382 405

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH,2023

(In Lakhs except EPS)

Sl. NO.	Particulars	For the Quarter Ended			For the Year Ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		Audited	Un-audited	Audited	Audited	Audited
1	Net Sales/Income from Operations (Net)	1657.04	1138.71	3199.78	7562.15	6190.74
2	Other Income	14.54	-	18.09	89.19	37.59
3	Total income from operations (net)	1671.58	1138.71	3217.87	7651.34	6228.33
4	Expenses					
	a. Cost of material consumed					
	b. Purchase of stock -in-trade	1650.75	1022.39	3093.07	6625.02	5775.35
	c. Change in inventories of finished goods, work-in- process and stock-in-trade	-95.59	224.30	(98.51)	406.51	(370.24)
	d. Employees benefits expense	4.73	3.65	35.87	71.06	100.78
	e. Finance Cost	(0.11)	(1.55)	21.66	62.82	107.50
	f. Depreciation and amortisation expense	7.06	6.93	7.56	27.85	29.92
	g. Power and fuel	1.17	3.43	46.73	80.12	123.58
	h. Other expenses	81.51	27.33	67.23	417.48	260.57
	Total Expenses	1649.52	1286.47	3173.61	7690.86	6027.46
5	Profit Before Exceptional Items & Extra Ordinary Items & Tax (3-4)	22.06	(147.76)	44.25	(39.52)	200.87
6	Exceptional Items	1.24	(156.66)	-	(155.42)	-
7	Profit Before Tax	23.30	8.90	44.25	115.89	200.87
	Current Tax	2.69	-	46.62	2.69	46.62
	Deferred Tax	-	-	5.67	-	5.67
8	Total Tax Expenses	2.69	0.00	52.29	2.69	52.29
9	Profit for the period from Continuing Operation (7-8)	20.61	8.90	-8.05	113.20	148.58
10	Profit from Discontinuing Operations Before Tax	-	-	-	-	-
11	Tax Expenses of Discontinuing Operations	-	-	-	-	-
12	Profit from Discontinuing Operations After Tax (-	-	-	-	-
13	Share of Profit of associates and joint venture accounted for using equity method	-	-	-	-	-
14	Profit for the period (9-12)	20.61	8.90	-8.05	113.20	148.58
15	Other Comprehensive Income Net of Taxes	-	-	-	-	-
16	Total Comprehensive Income Net of Taxes (14+15)	-	-	-	-	-
17	Details of equity Share Capital					
	Paid Up Equity Share Capital	1262.90	1003.92	1003.92	1262.90	1003.92
	Other Equity				1085.33	32.02
	Face Value of equity share Capital	1.00	2.00	2.00	1.00	2.00
18	Earnings Per Share (EPS)					
	a) Basic	0.02	0.01	-0.01	0.11	0.15
	b) Diluted	0.02	0.01	-0.01	0.11	0.15

Notes:

1. These financial results were reviewed by the audit committee and thereafter have been approved by the board of directors at its meeting held on Monday, May 08, 2023 The Statutory Auditors have carried out Limited review of the financial results for the quarter ended March 31, 2023.

2. These audited financial results have been prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules as amended from time to time.

3. IND AS 108 Relating to Segment wise reporting is not applicable as the Company operates in only One Primary segment

4. Previous year/quarter figures have been regrouped/rearranged wherever necessary.

5. The Figures for the quarter ended 31st march, 2023 are the balancing figure between the audited figures of the twelve months ended 31st March, 2023 and un-audited figures for the quarter and year to date figures published upto 31st December 2022.

6. Board of directors at their meeting held has considered and approved subdivision of 50195815 equity shares of 2 each into 100391630 equity shares of 1 each.



7. Board of directors at their meeting held on 21st february 2023 allotted 25898470 of face value of Rs. 1 each at premium of Rs. 3.63 each aggregating to Rs. 11.99 crores for consideration other than cash (i.e. against sale of goods) on a preferential basis.

Place : Ahmedabad
Date : 5/8/2023



FOR VAXTEX COTFAB LIMITED

Mithleshkumar Agrawal
Managing Director
DIN 03468643

VAXTEX COTFAB LIMITED (CIN :L51109GJ2005PLC076930) Address: Survey No. 230, Opp. Mariya Park, B/h. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad Ahmedabad GJ STANDALONE STATEMENT OF CASH FLOWS FOR THE PERIOD OF 01/04/2022 TO 31/03/2023 (In Lakhs)		
Particulars	2022-23	2021-22
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	115.89	200.87
Adjustment For :		
Depreciation of property, plant & equipment	27.85	29.92
Finance Cost	62.82	107.50
Interest Income classified as Investing Cash Flows	(36.05)	(37.59)
Transfer to Reserve		
Other Comprehensive Expense		
(Profit) / Loss on sale of property, plant & equipment		
Operating Profit before working capital changes	170.52	300.69
Adjustment For :		
(a) (Increase)/Decrease in Inventories	406.51	(370.24)
(b) (Increase)/Decrease in Trade Receivables	(1,202.61)	359.18
(c) (Decrease)/Increase in Trade Payables	2,414.36	307.54
(d) (Decrease)/Increase in Other Current Liabilities & Provisions	1,049.07	52.54
(Increase)/Decrease in other current Assets	(293.99)	(101.64)
(Increase)/Decrease in financial loans	(3,535.87)	
(Increase)/Decrease in current investments	(5.41)	
(f) Increase / (Decrease) in Short Term Borrowings	(140.34)	(284.11)
CASH GENERATED FROM OPERATIONS	(1137.76)	263.97
Less : (a) Income Tax Paid	(47.86)	46.62
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	(1185.61)	217.35
B. CASH FLOW FROM INVESTING ACTIVITIES		
(a) Purchase of Fixed Assets	(2.31)	(35.80)
(b) Sale of Fixed Assets		
(c) Interest Income	36.05	37.59
(d) Investment (purchases/sales)		(93.35)
Loans and advances given / repaid (Net)		(14.75)
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	33.73	(106.30)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(a) Proceeds/(Repayment) from Borrowings	(85.75)	
Interest Expense & Finance Costs		
Increase/(Repayment) of long term borrowings		
(b) Subsidy Received		
(c) Proceeds from Issue of Share Capital	1,199.10	
(d) Interest Paid	(62.82)	(107.50)
NET CASH INFLOW/ (OUTFLOW) IN FINANCING ACTIVITIES (C)	1050.53	(107.50)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(5.64)	3.55
OPENING BALANCE - CASH & CASH EQUIVALENT	14.94	11.39
CLOSING BALANCE - CASH & CASH EQUIVALENT	9.30	14.94
For, Vaxtex Cotfab Limited		
Date : 08-05-2023		 Mithleshkumar Agrawal Managing Director DIN : 03468643
Place : Ahmedabad		

**Independent Auditor's Report
To The Member of VAXTEX COTFAB LIMITED**

Opinion

We have audited the accompanying standalone financial statements of Vaxtex Cotfab Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2022, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of Standalone Financial Statements in accordance with the standards of auditing specified under Section 143(10) of the Acts (SAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the company in accordance with code of ethics issued by the institute of chartered Accountants of India (ICAI) together with independence requirements that are relevant to our audit of the standalone financial statements in the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the Audit Evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial Statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is

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not a guarantee that an audit conducted in accordance with Standards on Auditing ["SA" s] will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing ["SA" s], we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ❖ Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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- ❖ We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- ❖ We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- ❖ From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

FOR: - SSRV & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM NO. - 135901W

VISHNU KANT KABRA
Partner
M.No :403437

PLACE: - MUMBAI
DATE: 28th April, 2022

UDIN: 22403437AIABBT3466

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2022, we report that:

- i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - a. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- ii. Management has conducted Physical Verification of Inventory at Reasonable interval during the year and no Material discrepancies between physical inventory and book records were noticed on physical verification and the valuation of closing stock has been certified by the management and we have relied on the same.
- iii. The Company not having any holding company which is exempt under section 186 and therefore not required to maintain register under section 189 of the companies act 2013 Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public. Thus, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act. Thus, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, income-tax, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- viii. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- ix. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- x. According to the information and explanations given to us and based on our examination of the records of the Company, there are transactions with the related parties which are in compliance with sections 177 and 188 of the Act.

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- xi. The Company is not required to be registered under section 45-IA of the Reserve Bank India Act 1934.

FOR: - SSRV & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM NO. - 135901W

VISHNU KANT KABRA
Partner
M.No:403437

PLACE: - MUMBAI
DATE: 28th April, 2022

UDIN: 22403437AIABBT3466

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Vaxtex Cotfab Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR: - SSRV & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM NO. - 135901W

VISHNU KANT KABRA
Partner
M.No:403437

PLACE: - MUMBAI
DATE: 28th April, 2022

UDIN: 22403437AIABBT3466

Vaxtex Cotfab Limited			
CIN : L51109GJ2005PLC076930			
Balance Sheet as at 31st March, 2022			
			(Amount in Rs.)
Particulars	Note No	31st March 2022	31st March 2021
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment and Intangible assets			
(i) Property, plant and equipment	10	39,042,416	38,455,096
(ii) Capital work-in-progress			
(b) Financial Assets			
(i) Non-current investments	11	750,000	750,000
(2) Current assets			
(a) Inventories			
(i) Inventories	12	54,075,826	17,052,060
(b) Financial Assets			
(i) Investments	13	9,736,075	-
(ii) Trade receivables	14	61,946,494	97,864,757
(iii) Cash and cash equivalents	15	1,494,009	1,135,392
(iv) Short-term loans and advances	16	62,559,508	47,303,827
(c) Current tax Assets (Net)	17	6,632,958	13,780,329
(d) Other Current Assets	18	3,645,222	515,192
Total		239,882,508	216,856,653
II. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	2	100,391,630	60,235,000
(b) Surplus	3	3,201,557	28,500,595
(2) Non-current liabilities			
(a) Long-term borrowings	4	60,331,369	100,859,721
(a) Deferred tax liability (net)	5	2,408,552	1,841,552
(3) Current liabilities			
(a) Short term borrowings	6	14,200,945	2,080,101
(b) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises; and		27,868,909	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		24,742,185	21,856,843
(c) Other current liabilities	8	1,178,359	502,713
(d) Short-term provisions	9	5,559,001	980,129
Total		239,882,508	216,856,653

Significant accounting policies and Notes referred to above form an integral part of the Financial Statements.			
As per our report of even date	For & On Behalf of the Board		
For SSRV and Associates		For and on behalf of the Board	
Chartered Accountants		Vortex Cotfab Limited	
ICAI F.R.No. 135901W			
M.No.: 403437	PRATAPSINGH BHOORSINGH ZALA	NIDHI BANSAL	
Date:- 28th April, 2022	(CFO)	(CS)	
Place:- Mumbai	PAN No. AACPZ3621J	PAN NO. DZEPB5499C	
UDIN: 22403437AIABBT3466			
	AAKASH RAJESHBHAI THAKOR	MITHILESH KUMAR AGARWAL	
	Director	Managing Director	
	DIN 07960192	DIN 03468643	

Vortex Cotfab Limited			
CIN : L51109GJ2005PLC076930			
Statement of Profit and Loss for the year ended 31st March, 2022			
Particulars	Note No.	(Amount in Rs.)	
		2021 - 22	2020 - 21
Revenue from operations	19	619,073,695	261,544,582
Other income	20	3,759,283	649,074
Total Income		622,832,978	262,193,656
Expenses:			
Cost of materials consumed	21	577,534,940	194,983,660
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(37,023,766)	23,967,380
Employee benefit expense	23	10,077,613	6,084,035
Financial costs	24	10,749,510	10,862,052
Depreciation and amortisation cost	25	2,992,260	1,496,588
Other expenses	26	38,415,556	22,173,583
Total expenses		602,746,113	259,567,298
Profit before tax		20,086,865	2,626,358
Tax expense:			
(1) Current tax		4,662,272	410,747
(2) Deferred tax	5	(567,000)	(432,499)
Total Tax Expense		4,095,272	(21,752)
Profit from continuing operations		14,857,593	1,783,113
Profit from discontinuing operations before tax		-	-
Tax expense of discontinuing operations		-	-
Profit from discontinuing operations after tax		-	-
Share of profit of associates and joint venture accounted for using equity method		-	-
Profit for the period		14,857,593	1,783,113
Other comprehensive income net of taxes		-	-
Details of Equity Share Capital			
Paid up Equity Share Capital		100,391,630	60,235,000
Other Equity		-	-
Earning per equity share:			
Face value per equity shares fully paid up.	24	2	10
(1) Basic		0.30	0.30
(2) Diluted		0.30	0.30

As per our report of even date			
For SSRV and Associates			
Chartered Accountants		For and on behalf of the Board	
ICAI F.R.No. 135901W		Vortex Cotfab Limited	
M.No.: 403437		PRATAPSINGH BHOORSINGH ZALA	NIDHI BANSAL
Date:- 28th April, 2022		(CFO)	(CS)
Place:- Mumbai		PAN No. AACPZ3621J	PAN NO. DZEPB5499C
UDIN: 22403437AIABBT3466			
		AAKASH RAJESHBHAI THAKOR	MITHILESH KUMAR AGARWAL
		Director	Managing Director
		DIN 07960192	DIN 03468643

Vaxtex Cotfab Limited		
CIN : L51109GJ2005PLC076930		
STANDALONE STATEMENT OF CASH FLOWS FOR THE PERIOD OF 01/04/2021 TO 31/03/2022		
Particulars	2021-22	(Amount in Rs.) 2020-21
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	20,086,864	2,626,358
Depreciation of property, plant & equipment	2,992,260	1,496,588
Finance Cost	10,749,510	10,862,052
Interest Income classified as Investing Cash Flows	(3,759,283)	(649,074)
Transfer to Reserve	-	432,515
Other Comprehensive Expense	354	-
(Profit) / Loss on sale of property, plant & equipment	-	-
Operating Profit before working capital changes	30,069,706	14,768,439
Adjustment For :		
(a) (Increase)/Decrease in Inventories	(37,023,766)	23,967,380
(b) (Increase)/Decrease in Trade Receivables	35,918,263	(12,414,244)
(c) (Decrease)/Increase in Trade Payables	30,754,251	(38,995,638)
(Increase) in other current Assets	(10,164,488)	(78,618)
(f) Increase /(Decrease) in Short Term Borrowings	(28,411,000)	25,275,578
CASH GENERATED FROM OPERATIONS	26,396,967	9,726,626
Less :(a) Income Tax Paid	(4,662,272)	(410,747)
NET CASH INFLOW FROM OPERATING ACTIVITIES (A)	21,734,695	9,315,879
B. CASH FLOW FROM INVESTING ACTIVITIES		
(a) Purchase of Fixed Assets	(3,579,580)	(16,214,929)
(b) Sale of Fixed Assets	-	-
(c) Interest Income	3,759,283	649,074
(d) Investment (purchases/sales)	(9,334,575)	-
Loans and advances given / repaid (Net)	(1,475,352)	39,556,321
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES (B)	(10,630,224)	23,990,466
C. CASH FLOW FROM FINANCING ACTIVITIES		
(a) Proceeds/(Repayment) from Borrowings	-	(31,362,909)
Interest Expense & Finance Costs	(10,749,510)	(10,862,052)
(b) Subsidy Received	-	-
(c) Proceeds from Issue of Share Capital	-	-
(d) Interest Paid	-	-
NET CASH INFLOW/ (OUTFLOW) IN FINANCING ACTIVITIES (C)	(10,749,510)	(34,098,206)
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)	354,961	(791,861)
OPENING BALANCE – CASH & CASH EQUIVALENT	1,139,049	1,930,910
	1,494,009	1,139,049

As per our report of even date		
For SSRV and Associates		
Chartered Accountants	For and on behalf of the Board	
ICAI F.R.No. 135901W	Vaxtex Cotfab Limited	
M.No.: 403437	PRATAPSINGH BHOORSINGH ZALA	NIDHI BANSAL
Date:- 28th April, 2022	(CFO)	(CS)
Place:- Mumbai	PAN No. AACPZ3621J	PAN NO. DZEPB5499C
UDIN: 22403437AIABBT3466		
	AAKASH RAJESHBHAI THAKOR	MITHILESH KUMAR AGARWAL
	Director	Managing Director
	DIN 07960192	DIN 03468643

Vaxtex Cotfab Limited		
CIN : L51109GJ2005PLC076930		
Notes Forming Part of Balance Sheet		
Note 2 :- Share capital		(Amount in Rs.)
Particulars	31st March, 2022	31st March, 2021
Authorised share capital	110,000,000	110,000,000
Issued, subscribed & paid-up share capital	100,391,630	60,235,000
Share holding pattern and details		
Shareholder	% holding	No.of shares
Vax Enterprise Pvt Ltd	36.02%	1,80,78,955/-
Qmin Pharma Pvt Ltd	36.02%	1,80,78,955/-
Total share capital	100,391,630	60,235,000

Note 2.1 : Reconciliation of number of shares outstanding is set out below:

Particulars	31st March, 2022	31st March, 2021
Equity shares at the beginning of the year	6,023,500	6,023,500
Add: Shares issued during the current financial year	4,015,663	-
Total Equity shares before split	10,039,163	-
Split of shares (From FV of Rs.10 to FV of Rs.2)	50,195,815	-
Equity shares at the end of the year	50,195,815	6,023,500

Note 2.2 : The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.

Note 2.3 : The Company issued 4,015,663 bonus shares on 7th January, 2022

Note 2.4 : There was a split of shares from FV of Rs.10 to FV of Rs.2 on 29th March, 2022

Note 4 : Long term borrowings

(Amount in Rs.)

Particulars	31st March, 2022	31st March, 2021
Secured Loans		
From Banks		
1 Abhyudaya Co-Op.Bank Limited Working Capital Term Loan	28,358,020	24,952,328
2 Abhyudaya Co-Op.Bank Limited Overdraft	60,344,303	60,713,798
3 Indusind Bank Overdraft	(30,358,351)	
4 Kotak Mahindra Prime Limited (Car Loan)	1,987,398	1,292,650
Other Unsecured Loans		
Loans and advances from related parties		13,900,945
TOTAL	60,331,369	100,859,721

Note 5: Deferred tax liability

(Amount in Rs.)

Particulars	31st March, 2022	31st March, 2021
Opening balance	(1,841,552)	(1,409,053)
Add : Deferred tax income/(expense) recognised for the year	(567,000)	(432,499)
Total	(2,408,552)	(1,841,552)

Note 6 : Short term borrowings

(Amount in Rs.)

Particulars	31st March, 2022	31st March, 2021
Loans and advances from related parties	14,200,945	-
Other Loans and Advances	-	2,080,101
TOTAL	14,200,945	2,080,101

Note 7 : Trade payables**(Amount in Rs.)**

Particulars	31st March, 2022	31st March, 2021
Total outstanding dues of micro enterprises and small enterp	27,868,909	
Total outstanding dues of creditors other than micro enterpri and small enterprises	24,742,185	21,856,843
Total	52,611,094	21,856,843

Note 6.1 : Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2021, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

Trade Payables ageing schedule: As at 31st March,2022

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
(i) MSME	27868909				27868909
(ii) Others	24742185				24742185
(iii) Disputed dues- MSME					-
(iv) Disputed dues - Others					-

Trade Payables ageing schedule: As at 31st March 2021

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					-
(ii) Others	21856843.14				21856843.14
(iii) Disputed dues- MSME					-
(iv) Disputed dues - Others					-

Note 8 : Other Current Liabilities

(Amount in Rs.)

Particulars	31st March, 2022	31st March, 2021
Statutory Dues:		
Professional Tax Ded. A/C.	54,250	5,250
Tcs	118,839	62,592
Tds On Professional Fees	18,303	149,813
Tds On Purchase	372,512	-
Tds On Rent	502,220	51,075
Tds Payable	60,073	233,983
Other Dues:		
E S I Payable A/C.	12,513	-
P F Payable A/C.	39,649	-
Total	1,178,359	502,713

Note 9 : Short Term Provisions

(Amount in Rs.)

Particulars	31st March, 2022	31st March, 2021
Audit Fees Payable	(1,000)	82,400
Provision for Income Tax	5,560,001	897,729
Total	5,559,001	980,129

Vastex Cotfab Limited

Note 10 :- Property, plant & equipments as on 31st March, 2022
(As per the Companies Act, 2013)

Tangible Assets

(Amount in Rs.)

Details of Assets	Rate %	Gross Block				Accumulated Depreciation			Net Block		
		As On 01st April, 2021	Additions	Deductions	Total	As On 01st April, 2021	For The Year	Deductions	As on 31st March, 2022	As At 31st March, 2022	As At 31st March, 2021
TANGIBLE ASSETS											
Electrical installations	6.33%	29,546	-	-	29,546	963	1,870	-	2,833	27,676	29,546
Plant & machinery	6.33%	2,308,424	-	-	2,308,424	339,374	145,900	-	485,274	2,162,525	2,308,424
Plant & machinery	6.33%	35,457,307	1,461,800	-	36,919,107	4,782,002	2,299,625	-	7,081,627	34,619,482	35,457,307
Computers	31.67%	4,378	37,500	-	41,878	12,402	7,275	-	19,677	34,603	4,378
Office equipments	6.33%	21,590	-	-	21,590	4,410	1,367	-	5,777	20,223	21,590
Air conditioners	6.33%	633,850	85,665	-	719,515	-	43,869	-	43,869	675,646	633,850
Vehicles	30.00%	-	1,994,615	-	1,994,615	-	492,355	-	492,355	1,502,260	-
		38,455,096	3,579,580	-	42,034,676	5,139,150	2,992,260	-	8,131,410	39,042,416	38,455,096
INTANGIBLE ASSETS											
Total		38,455,096	3,579,580	-	42,034,676	5,139,150	2,992,260	-	8,131,410	39,042,416	38,455,096
Figures of previous year											

Note 9:-Capital work in progress

Details of Assets	Rate %	Gross Block				Accumulated Depreciation			Net Block		
		As On 01st April, 2020	Additions	Deductions	Total	As on 01st April, 2020	For The Year	Deductions	As on 31st March, 2021	As At 31st March, 2021	As At 31st March, 2020
Electrical Fittings	0%	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-	-
Figures of Previous Year											

Vaxtex Cotfab Limited			
CIN : L51109GJ2005PLC076930			
Notes Forming Part of Balance Sheet			
			(Amount in Rs.)
Note 11 : Non current Investment			
Sr. No.	Particulars	31st March, 2022	31st March, 2021
	Unquoted investments		
	Equity based mutual fund		
1	Abhyudaya Co-Op Bank Ltd. Share A/c.	750,000	750,000
	Total	750,000	750,000

All above investments are carried at cost

11.1 Other disclosures

(a)	Aggregate cost of quoted investment		
	Aggregate market value of quoted investments		
(b)	Aggregate amount of unquoted investments	750,000	750,000
(c)	Aggregate provision for diminution in value of investment	-	-

Note 12 : Inventories*			(Amount in Rs.)	
Sr. No.	Particulars	31st March, 2022	31st March, 2021	
1	Finished goods	54,075,826	17,052,060	
2	Semi finished goods			
3	Raw material			
4	Stores & packing			
	*Valued at lower of cost and net realizable value			
	Total	54,075,826	17,052,060	

Note 13 : Current Investment (Amount in Rs.)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
	Debt based mutual fund		
1	IndusInd Bank FD A/c.-300862351907	9,736,075	-
	Total	9,736,075	-

Note 14 : Trade receivables (Amount in Rs.)

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Outstanding for more than six months		
	a) Secured, considered good	45,073,201	
	b) Unsecured, considered good		
	c) Doubtful		
2	Others		
	a) Secured, considered good	16,873,293	97,864,757
	b) Unsecured, considered good		
	c) Doubtful		
	Total	61,946,494	97,864,757

Trade Receivables ageing schedule as at 31st March,2022

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	16,873,293	45,073,201				61,946,493.66
(j) Undisputed Trade receivables -considered doubtful						-
(ii) Disputed trade receivables considered good						-
(iv) Disputed trade receivables considered doubtful						-

Trade Receivables ageing schedule as at 31st March,2021

(Amount in Rs.)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	97,864,757.00					97,864,757.00
(j) Undisputed Trade receivables -considered doubtful						-
(iii) Disputed trade receivables considered good						-
(iv) Disputed trade receivables considered doubtful						-

Note 15 : Cash and bank balances**(Amount in Rs.)**

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Cash and cash equivalent		
	Cash in Hand	1,491,918	560,961
	Sub total (A)	1,491,918	560,961
2	Bank balances - current accounts		
	BHUIJ MERC. CO.OP.BANK	(3,658)	(3,658)
	ICICI BANK	5,749	578,089
	Sub total (B)	2,091	574,431
	Total [A + B]	1,494,009	1,135,392

Note 16 : Short terms loans and advances**(Amount in Rs.)**

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Others		
	Advance Against Machinery	3,070,030	3,070,030
	Others Long Term Loans and Advances	59,489,478	44,233,797
	Total	62,559,508	47,303,827

Note 17 : Current tax Assets (Net)**(Amount in Rs.)**

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Advances to Suppliers	-	7,113,532
2	GST	4,160,357	4,047,468
3	TDS Receivable	2,454,481	2,619,329
4	TCS Receivable	18,120	-
	Total	6,632,958	13,780,329

Note 18 : Other Current Assets**(Amount in Rs.)**

Sr. No.	Particulars	31st March, 2022	31st March, 2021
1	Advances / Prepaid Expenses	3,183,722	113,692
2	N S C Deposit A/c	383,500	383,500
3	NSDL Deposit	18,000	18,000
4	Other deposit	60,000	
	Total	3,645,222	515,192

Vortex Cotfab Limited			
CIN : L51109GJ2005PLC076930			
Notes Forming Part of Statement of Profit & Loss			
Note 19 : Revenue from operations			(Amount in Rs.)
Sr. No.	Particulars	2021-22	2020-21
1	Sales of products <i>(refer sub note 16.1)</i>	619,073,695	261,544,582
2	Sale of services		
3	Other operating revenues		
	Sales are net of Goods & Service Tax (GST)		
	Total	619,073,695	261,544,582

19.1 Sale of products			(Amount in Rs.)
Sr. No.	Particulars	2021-22	2020-21
1	Sales - finished goods	619,073,695	261,544,582
	Total	619,073,695	261,544,582

Note 20: Other income			(Amount in Rs.)
Sr. No.	Particulars	2021-22	2020-21
1	Interest on FD	248,042	-
2	Interest received on Income Tax	125,715	345,906
3	Interest Receivable	3,385,517	-
4	Other Income	9	303,168
	Total	3,759,283	649,074

Note 21 : Cost of material consumed			(Amount in Rs.)
Sr. No.	Particulars	2021-22	2020-21
1	Cost of materials consumed: <i>(refer sub note 21.1)</i>	577,534,940	194,983,660
	Total	577,534,940	194,983,660

21.1 Cost of materials consumed			(Amount in Rs.)
Sr. No.	Particulars	2021-22	2020-21
1	Consumption of raw material		
	Opening stock	17,052,060	41,019,440
	Add > purchase during the year	577,534,940	194,983,660
		594,587,000	236,003,100
	Less > Closing stock	54,075,826	17,052,060
		540,511,174	218,951,040
2	Consumption of stores & spares / packing materials		
	Opening stock	-	-
	Add > purchase during the year	-	-
	Less > Closing stock	-	-
		-	-
	Total	540,511,174	218,951,040

Note 22 : Change in inventories (Amount in Rs.)

Sr. No.	Particulars	2021-22	2020-21
1	Change in inventories of finished goods		
	Opening stock	17,052,060	41,019,440
	Closing stock	54,075,826	17,052,060
	Sub total (a)	(37,023,766)	23,967,380
2	Changes in inventories of work-in-progress		
	Opening stock	-	-
	Closing stock	-	-
	Sub total (b)	-	-
3	Changes in Inventories of Raw Materials		
	Opening Stock		
	Closing Stock		
	Sub total (c)	-	-
	Total	(37,023,766)	23,967,380

Note 23 : Employment benefit expenses (Amount in Rs.)

Sr. No.	Particulars	2021-22	2020-21
1	Salary, Bonus & Wages	9,975,126	5,770,716
2	Staff Welfare Expenses	33,457	264,576
3	Other contribution	69,030	48,743
	Total	10,077,613	6,084,035

23.1 Incentives to employees (Amount in Rs.)

Sr. No.	Particulars	2021-22	2020-21
1	Salary, Bonus & Wages	9,975,126	5,770,716
	Total	9,975,126	5,770,716

23.2 Employment provident fund (Amount in Rs.)

Sr. No.	Particulars	2021-22	2020-21
1	P F CONTRIBUTION A/C.	24,814	-
	Total	24,814	-

Note 24 : Financial cost (Amount in Rs.)

Sr. No.	Particulars	2021-22	2020-21
1	Interest on Cash Credit & Other Facilities	10,587,973	10,678,429
2	Bank Charges	161,537	183,623
	Total	10,749,510	10,862,052

Note 25 : Depreciation and amortised cost**(Amount in Rs.)**

Sr. No.	Particulars	2021-22	2020-21
1	Depreciation	2,992,260	1,496,588
	Total	2,992,260	1,496,588

Note 26 : Other expenses**(Amount in Rs.)**

Sr. No.	Particulars	2021-22	2020-21
1	Advertisement Exp	23,498	-
2	Auditor Fees	54,000	-
3	Auditor'S Remuneration	-	-
4	Bad Debt To Be Written Off	-	352,205
5	Business Promotion	-	37,000
6	Commission On Sales Charges	28,520	32,095
7	Conveyance Expenses	11,200	34,000
8	Courier Expenses	23,794	14,730
9	Effluent Treatment Charges	1,570,962	-
10	Electricity Bill Expenses	12,340,550	5,587,148
11	Factory Expenses	798,850	459,029
12	Factory Rent	4,086,000	4,027,000
13	Freight Expenses	-	-
14	Godown Rent	662,000	-
15	Gst Paid	-	9,062
16	Gujarat Labour Welfare Boad	1,922	-
17	Installment Dishonoued Charges	2,655	-
18	Insurance Expenses	77,506	41,736

19	Interest On Loan	26,298	-
20	Interest Paid On Income Tax	8,756	24,224
21	Interest Paid On Tds	8,467	-
22	Labour Contract Work	14,491,906	5,260,366
23	Legal & Professional Charges	597,617	2,179,881
24	Local Cartting Expenses	-	139,211
25	Misc Expenses	242,003	-
26	Mobile And Internet Expenses	3,074	928
27	Municipality Property Tax	328,112	165,866
28	Nsdl Fees	-	-
29	Nsdl/Cdsl Service Charges	34,000	334,472
30	Office Expenses	59,450	1,494,144
31	Petrol & Conveyance Expenses	17,885	34,653
32	Pollution Charges	-	585,000
33	Rates And Taxes	650	668
34	Repairs Expenses	-	470,222
35	Roc Expenses	30,000	8,400
36	Security Service Charges	198,000	396,000
37	Staff Welfare Expenses	47,760	-
38	Stationary & Printing Exp	78,935	33,788
39	Stores Materials	1,325,230	-
40	Tea And Coffee Expenses	79,214	80,794
41	Transportation Charges	1,042,195	219,672
42	Travelling Expenses	85,067	151,290
43	Water Expenses	29,480	-
	Total	38,415,556	22,173,583

26.1 Repairs & maintenance

(Amount in Rs.)

Sr. No.	Particulars	2021-22	2020-21
1	Repairs Expenses	-	470,222
	Total	-	470,222

26.2 Insurance premium

(Amount in Rs.)

Sr. No.	Particulars	2021-22	2020-21
1	Insurance Expenses	77,506	41,736
	Total	77,506	41,736

Note 28 : Disclosure as required by Para 20 of Accounting Standard-AS 18 "Related Parties" of the Companies (Accounting Standard) Rules, 2006:-
CIN : L51109GJ2005PLC076930

Names of related parties and description of relationship :

Sr. No.	Name	Relation
1	AAKASH RAJESHBHAI THAKOR	DIRECTOR
2	MITHLESHKUMAR M AGRAWAL	DIRECTOR
3	PRATAPSINGH BHOORSINGH ZALA	CFO
4	ZIRAL PANKAJKUMAR SONI	DIRECTOR
5	NIDHI BANSAL	CS
6	BHARTI GUPTA	PROMOTER GROUP
7	STITCHED TEXTILES LIMITED	COMMON KMP
8	BRAND CLUSTER LLP	COMMON KMP
9	VAX ENTERPRISE PRIVATE LIMITED	ASSOCIATE COMPANY
10	QMIN PHARMA PRIVATE LIMITED	ASSOCIATE COMPANY

Transactions with related parties for the year ended March 31, 2022

Sr. No.	Particulars	Amount	Nature
		2021-22	2021-22
1	PRATAPSINGH BHOORSINGH ZALA	344,522	SALARY
2	PRATAPSINGH BHOORSINGH ZALA	100,000	LOAN RECEIVED
3	JAJMIN GUPTA	107,670	LOAN RECEIVED
4	ZIRAL PANKAJKUMAR SONI	30,000	SITTING FEES
5	NIDHI BANSAL	25,000	SALARY
6	BHARTI GUPTA	14,200,945	UNSECURED LOAN
7	STITCHED TEXTILES LIMITED	104,828,579	PURCHASE
8	STITCHED TEXTILES LIMITED	27,073,032	SALES
9	BRAND CLUSTER LLP	47,618,990	PURCHASE
10	VAX ENTERPRISE PRIVATE LIMITED	31,426,184	SALES
11	VAX ENTERPRISE PRIVATE LIMITED	38,358,181	PURCHASE
12	QMIN PHARMA PRIVATE LIMITED	25,237,139	SALES
13	QMIN PHARMA PRIVATE LIMITED	2,948,828	PURCHASE
	Total	292,299,070	

Note 1 – Significant Accounting Policies and Notes thereon

Corporate information

Vastex Cotfab Limited (the company) is a Public limited company domiciled in India and incorporated under the provisions of the Companies Act, **Corporate Identity Number: L51109GJ2005PLC076930**, the registered office of the company is located at **Survey No. 230, Opp. Mariya Park, B/H. Ranipur Village, Saijpur - Gopal, Narol, Ahmedabad Ahmedabad GJ 382405 IN**

The Company is engaged in manufacturing and processing of fabrics of Shirting and Suiting.

Note 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

a. Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company has prepared the Financial Statements which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended 31st March, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements).

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest INR", except otherwise indicated.

b. Use of estimates and judgements

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from

UDIN: 22403437A1ABB3466

those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

d. Tangible fixed assets

Fixed assets are stated at cost, less depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

e. Depreciation

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Depreciation on fixed assets is provided on Written Down Value basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule III to the Companies Act, 2013, whichever is higher.

f. Borrowing

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

g. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. In the current year, the custom duty paid on acquisition of Fixed asset has been capitalized as the duty paid is not refundable.

All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

h. Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that

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sufficient future taxable income will be available against which deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

i. Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

j. Cash flow statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transaction of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

k. Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

l. cash and cash equivalent

Cash and cash equivalents in the balance sheet comprise cash at banks and cash in hand.

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The Cash & bank balances in India include both rupee accounts. On a standalone basis, balance in accounts stood at 14,94,009 /-, as at March 31, 2022.

m. Event occurring after the date of balance sheet

Where material event occurring after the date of the balance sheet are considered up to the date of approval of accounts by the board of director

n. Recoverability of trade receivables

Required judgements are used in assessing the recoverability of overdue trade receivables and for determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate risk of non-payment.

o. Other

- i. The Company has reclassified/regrouped previous year figures where necessary to confirm to the current year's classification
- ii. The Company has issued bonus share to their existing shareholder during the month of January 2022.

FOR S S R V & Associates

Chartered Accountants

FRN: 135901W

For and on behalf of the Board

Vaxtex Cotfab Limited

Vishnu Kant Kabra

Partner

M. No.: 403437

PLACE: MUMBAI

DATE :- 28th April, 2022

**PRATAPSINGH
BHOORSINGH ZALA
(CFO)
PAN No. AACPZ3621J**

**NIDHI BANSAL
(CS)
PAN No. DZEPB5499C**

**AAKASH RAJESHBHAI
THAKOR
Director
DIN 07960192**

**MITHILESH KUMAR A
GARWAL
Managing Director
DIN 03468643**

A. Industry structure and developments

The global textile industry has been facing exceptionally challenging conditions since the past two years due to the restrictions imposed because of the Covid-19 pandemic. Further, the global supply chain had seen unprecedented levels of pressure and disruption due to logistical impasse. This led to delayed delivery resulting into reduced product shelf life and increased inventory at importer / retailer level which resulted in reduction in export orders / delayed picking of confirmed orders, apart from sharp increase in vessel shipping cost. Further, prodigious liquidity globally led to a proliferation in commodity prices including Cotton, Dyes, Chemicals, Coal, etc.

On a positive note, from the beginning of Q2 of FY 2021-22 post relaxation in Covid-19 induced restrictions, domestic market is showing an uptake in demand.

B. Opportunities and Threats

Accelerated reopening of activities have re-opened opportunities for the textile market which were quiet for a long time. Further, China plus one policy by USA and Europe will lead to increase in demand for the Indian Market. With an added advantage of high quality standards and globally renowned accreditations, our Company will be forging ahead with its sustainability vision to build potential so as to grab opportunities coming its way. Currently the biggest threat is the enormous increase in cotton prices leading to high finished good prices. Consumers are therefore shifting their focus from cotton to man-made fibres. Further, increase in prices of other commodities such as coal, dyes and chemicals is also making the industry non-competitive.

C. Outlook

Coming year will be challenging with respect to pricing. We must focus more on offering new products meeting customer retail price points. Also focus will be on blending with man-made fibers which can fit into the price bracket, acceptable to buyers. Further geographic presence will be increased, and new markets will be explored.

D. Risks and concerns

There is a proliferation in cotton prices which cannot be absorbed in finished goods prices. Preference is shifting from Cotton fibre to man-made fibres i.e. synthetic, polyester etc., which are available at lower prices. This is putting pressure on margin.

Your Company continues to strengthen its robust Risk Management Framework and the same was reviewed by the Audit Committee periodically. The Committee focuses on ensuring that risks promptly identified initially and a mitigation plan is developed and monitored periodically to ensure that risks are being addressed accordingly. The Committee operates with following objectives especially related to risks:

- Identify and highlight risks affecting the Company.
- Facilitate discussion around risk prioritization and mitigation. The company's approach in addressing business risks includes periodical review of such risks and thereby mitigating it effectively.
- Provide a framework to assess risk capacity and appetite; develop systems to warn when the appetite is getting breach.

E. Internal control systems and their adequacy

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and reported correctly. Internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits conducted by in-house trained personnel. The audit observations and corrective actions are periodically reviewed by the audit committee to ensure the effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

F. Discussion on financial performance with respect to operational performance

The financial performance of the Company for the Financial Year 2021-22 is described in there as a part of Board of Directors' of the Company.

G. Material developments in Human Resources / Industrial Relations front including number of people employed

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The Company has designed and implemented performance management system of employees that helps in achieving its goals. Industrial relations are cordial and satisfactory.

H. Segment-wise or Product-wise performance

The Company operates in single Segment i.e. Garments and Apparels.

Registered Office:

Survey No. 230, Opp. Mariya Park,
B/h. Ranipur Village, Saijpur - Gopal,
Narol, Ahmedabad – 382 405

Place: Ahmedabad

Date: 5th September, 2022

**By the Order of the Board
Vortex Cotfab Limited**

Sd/-
Mithleshkumar Gupta
Managing Director
DIN: 03468643

Sd/-
Aakash Thakor
Director
DIN: 07960192

MARKET PRICE INFORMATION

The Equity Shares are listed on the NSE. The Rights Equity Shares will be listed on the Stock Exchange pursuant to the Issue. For further details, please see “*Terms of the Issue*” on page 155. We have received in-principle approval for listing of the Rights Equity Shares on the Stock Exchange to be issued pursuant to the Issue from the NSE by letter dated June 14, 2023. Our Company will also make application to NSE to obtain the trading approval from the stock exchange for the Rights Entitlements as required under the SEBI Rights Issue Circulars

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case maybe;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

- a) The following table sets forth the high, low and average market prices of the Equity Shares recorded on the NSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded.

Financial Year	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Total volume traded on date of high (in Rs.)	Date of low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Total volume traded on date of high (in Rs.)	Average price for the year (Rs.)
2020-21	31/03/2021	43.95	12000	516000.00	11/12/2020	17.00	30000	549600.00	25.76
2021-22	16/12/2021	136.2	3000	408600.00	31/03/2022	22.50	50000	1150625.00	74.42
2022-23	12/05/2023	37.35	6147211	221820121.05	29/05/2023	2.00	1359424	3052464.4	11.87

- b) Monthly high and low prices for the six months preceding the date of filing the Final Letter of Offer with NSE Limited:

Month	Date of High	High (₹)	Volume on date of High (No. of Equity Shares)	Total volume traded on date of high (in Rs.)	Date of low	Low (₹)	Volume on date of Low (No. of Equity Shares)	Total volume traded on date of high (in Rs.)	Average price for the month (Rs.)
Jan, 2023	09/01/2023	6.55	822103	5131721.90	31/01/2023	5.10	172081	914457.05	5.84
Feb, 2023	09/02/2023	7.00	1133756	7325692.30	27/02/2023	2.30	797272	1934187.25	4.21
Mar, 2023	01/03/2023	2.90	772302	2103260.20	29/03/2023	2.00	1359424	3052464.40	2.53
April, 2023	26/04/2023	2.35	447802	1023259.25	06/04/2023	2.10	1250351	2748246.35	2.26
May, 2023	11/05/2023	2.95	677449	1910619.20	08/05/2023	2.20	3617966	9250016.45	2.44
June, 2023	22/06/2023	2.40	225524	522411.05	23/06/2023	2.20	137336	311392.00	2.32

- c) Total number of days of trading during the preceding six months: Total Number of days traded during 01/01/2023 to 30/06/2023 – 122 days.
- d) Market price of equity shares immediately after the date on which the resolution of the board of directors approving the issue: The closing market price of the Equity Shares of the Company on NSE, as on 18th July, 2023 (being a day immediately after the date on which resolution of Board of Directors was passed for approving Rights issue) was Rs. 2.15/-.

The Issue Price is Rs. 2/- per Rights Equity Share and has been arrived at by our Company prior to the determination of the Record Date.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

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

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

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

I. CONTINGENT LIABILITIES OF OUR COMPANY

As per the Audited Financials for the Financial Year ending 31st March, 2022, the Company has no Contingent Liabilities.

II. LITIGATION INVOLVING OUR COMPANY

A. LITIGATION FILED AGAINST OUR COMPANY:

1. Litigation Involving Civil matters:

Shree Shyam Avenues Pvt. Ltd. Operational Creditor/Applicant
Vs.
Vaxtex Cotfab Limited. Corporate Debtor/Respondent

Sl No.	Case No.	Court	Brief Facts	Status
1.	CP.IB No. 291/2022	National Company Law Tribunal (Ahmedabad Bench)	<p>The Applicant, has preferred an Application under Section 9 of the IBC Code for the purported non-payment of debt arising out of a sub-lease agreement between the Respondent and Hillary Fashion Coftab Limited (hereinafter referred to as 'Hillary'), which was leased to Hillary by Aggarwal Dyeing and Printing Works (hereinafter referred to as 'Aggarwal Dyeing'), the original owner of the property, vide Lease and License Agreement dated 01.10.2015. Pursuant to which, the Applicant, vide sale deed dated 16.07.2020, had purchased the said land from Aggarwal Dyeing.</p> <p>Respondent contended that a previously preferred Civil Suit being Civil Suit No. 289 of 2020 before the Hon'ble Fifth Additional Senior Civil Judge (Rural), At Ahmedabad, Mirzapur whereby, the parties had entered into a Settlement Agreement which came to be decreed on 11.01.2021 and for the execution of the said Agreement, the Applicant has tried to invoked the jurisdiction of this Hon'ble NCLT.</p> <p>The Respondent also contended that the purported non-payment of debt arising out of a sub-lease agreement is not</p>	Pending

			falling under the definition of an 'Operational Debt' as per Section 5(21) of the IBC Code and the Applicant, being a Lessor, does not fall within the definition of 'Operational Creditor' as provided under Section 5(20) of the IBC Code.	
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2. Litigation Involving Criminal matters: NIL

B. LITIGATION FILED BY OUR COMPANY:

1. Litigation Involving Civil matters:

Vaxtex Cotfab Pvt. Ltd. Petitioner
Vs.
The State of Gujarat & Ors. Respondents

Sl No.	Case No.	Court	Brief Facts	Status
1.	SCA/205 34/2020	High Court of Gujarat	<p>The petitioner by way of the present petition has challenged the legality, validity and propriety of the action of the respondent no.4 of disconnecting the sewerage connection (effluent discharge). The Petitioner has alleged that such supply is an essential service to the petitioner as a tenant de hors the provisions of section 24 of the Bombay Rents, Hotel and Lodging House Rate Control Act, 1947 (Act No. LVII of 1947), and is contrary to the licence granted by the Gujarat Pollution Control Board under the provisions of the Environment (Protection) Act, 1986 (Act No. 29 of 1986). Therefore, the action of the disconnecting the connection of the petitioner is ex-facie illegal, arbitrary and violative of Articles 14, 19 and 21 of the Constitution of India.</p> <p>The petitioner also states that they have filed civil suit on July 06, 2020.</p> <p>The Petitioner has also alleged that, the Respondents acting maliciously has disconnected the connection for discharge of the effluents, on July 18, 2020 and thereafter lodged FIR in Narol Police Station recorded as C.R. No.I-Part 'A' 11191065200707 of 2020, for the offences punishable under sections 406, 420, 465, 468, 471 and 114 of the Indian Penal Code, 1860.</p> <p>Aggrieved by such action of the Respondents the petitioner has filed this present petition under Article 226 of the Constitution of India.</p>	Disposed

2. Litigation Involving Criminal matters: NIL

C. Litigation involving Tax Liabilities:

(i) Direct Tax Liabilities:

Vaxtex Cotfab Ltd. (formally Vaxtex Cotfab Pvt. Ltd.):

A. Y.	Section Code	Date of Demand	Amount	Particulars and status
2012-2013	144	22/03/2015	2,48,29,728	The Appellant has filed a NIL return of income for A.Y 2012-2013. Notices U/s 143(2) and 142(1) were issued to the assessee demanding the details of paid up share capital

				<p>including share premium received amounting to Rs.3,93,50,000/-. A show cause notice was issued on 10/03/2015. Based on the details available the ITO has added Rs.3,93,50,000/- as unexplained paid up capital to the total income of the assessee and raised a demand of Rs.1,82,59,380/- Further the ITO has imposed a penalty of Rs.1,27,67,108/- on the above amount. The appellant has filed an appeal against both the orders at CIT (Appeals) on 24/03/2018.</p> <p>The matter is pending.</p>
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(ii) Indirect Taxes Liabilities: NIL.

D. Proceedings involving issues of moral turpitude or criminal liability on the part of our Company: NIL

E. Proceedings involving material violations of statutory regulations by our Company: NIL

F. Matters involving economic offences where proceedings have been initiated against our Company: NIL

G. Litigation Involving Actions by Statutory/Regulatory Authorities:

- (i) A penalty of Rs.25,000/- (plus Rs.4,500 as GST) was levied by the National Stock Exchange of India Limited on Vaxtex Cotfab Pvt. Ltd. for delayed filing of Financial Results under Regulation 33 of SEBI (LODR) Regulations for the quarter/year ended 31st March, 2020. The Company has paid the penalty on 26th March, 2021.
- (ii) A penalty of Rs. 6,000/- (plus Rs.1080 as GST) was levied by the National Stock Exchange of India Limited on Vaxtex Cotfab Pvt. Ltd. for non-compliances under Regulation 17(1), 18(1) and 27(2) of SEBI (LODR) Regulations. The Company has paid the penalty on 25th May, 2022.

III. LITIGATION INVOLVING OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

- 1. Litigation Involving Criminal matters: NIL.**
- 2. Litigation Involving Civil matters: NIL.**
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL.**
- 4. Litigation involving Tax Liabilities**
 - (i) Direct Tax Liabilities: NIL.**
 - (ii) Indirect Taxes Liabilities: NIL.**
- 5. Other Pending Litigations: NIL.**

B. LITIGATION FILED BY OUR DIRECTORS

- 1. Litigation Involving Criminal matters: NIL.**
- 2. Litigation Involving Civil matters: NIL.**
- 3. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL.**

4. Litigation involving Tax Liabilities

(i) **Direct Tax Liabilities: NIL.**

(ii) **Indirect Taxes Liabilities: NIL.**

5. Other Litigations: NIL.

I. LITIGATION INVOLVING OUR PROMOTERS AND PROMOTER GROUP

A. LITIGATION AGAINST OUR PROMOTERS AND PROMOTER GROUP:

1. Litigation Involving Civil matters:

Bhartiben K. Gupta Applicant
Vs.
State of Gujarat Respondent

Sl. No.	Case No.	Location	Name of The Court	Status
1.	SCA/18324/2019*	Ahmedabad	High Court of Gujarat	List of date – 20/04/2023 Case status – Pending

Note: * The details of this case could not be acquired from any sources.

2. Litigation involving Tax Liabilities:

(i) **Direct Tax Liabilities:**

Vaxfab Enterprises Limited:

A. Y.	Section Code	Date of Demand	Amount	Particulars and status
2010-11	143(1)(a)	25/01/2011	3,300	Pending amount towards Interest.
2011-12	143(1)(a)	15/03/2012	22,015	Pending amount towards Interest.
2019-20	143(1)(a)	27/02/2020	149,306	No appeal has been preferred.
2018-19	143(1)(a)	27/03/2023	32,63,790	The appellant contended that, it has filed its original return of income, which was audited with no defects found. However, the Ld. AO issued a notice U/S 148 of the Act, and the appellant filed a return of income showing the same total income. The Ld. AO provided an extract of reasons recorded for reopening the assessment, and the appellant requested various documents. The Ld. AO made an addition in lieu of unexplained money under Sec. 69A of the Income-tax Act of Rs.25,00,000/-. The appellant further contended that, they had not entered into any transaction with Anamika Dealers Private Limited, and there was no evidence to support the Ld. AO's assumption that they took an accommodation entry from them. Aggrieved by such Addition the Appellant has filed an Appeal with the CIT (Appeals on 24 th April, 2023. The matter is pending.

Sanjay Kumar Agarwal:

A. Y.	Section Code	Date of Demand	Amount	Particulars and status
2011-12	271(1)(c)	27/06/2019	33,628	No appeal has been preferred.

(ii) **Indirect Taxes Liabilities: NIL.**

B. LITIGATION FILED BY OUR PROMOTERS AND PROMOTER GROUP: NIL.

II. PENALTIES IMPOSED IN PAST CASES FOR THE LAST FIVE YEARS: NIL.

III. LITIGATIONS INVOLVING OUR SUBSIDIARIES: NIL.

IV. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

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

V. OUTSTANDING LITIGATIONS INVOLVING THE COMPANY OR INVOLVING ANY OTHER PERSON OR COMPANY WHOSE OUTCOME MAY HAVE A MATERIAL ADVERSE EFFECT ON THE COMPANY'S RESULTS OF OPERATIONS OR FINANCIAL POSITION.

Except as described above, as on date of this Final Letter of Offer, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET I.E. MARCH 31, 2022.

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

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER 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 March 31, 2022:

Name	Balance as on March 31, 2022
Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)*	Rs. 2,78,68,909
Total Outstanding dues to Creditors other than MSME#	Rs. 2,47,42,185

* Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, is not available with us as we are in the process of compiling the information from our vendors.

As per Audited Balance Sheet.

GOVERNMENT AND OTHER STATUTORY 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 Final Letter of Offer) 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 the Offer 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 Offer 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 Final Letter of Offer.

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 statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out our business.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THIS ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on June 7, 2023 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Our Board in its meeting held on July 17, 2023 has altered issue upto 6,31,45,050 Equity Shares to the Eligible Equity Shareholders on Rights Issue basis at ₹ 2/- per Equity Share (including premium of ₹ 1/- per Equity Share), in the ratio of 1 Equity Share for every 2 Equity Shares as held by Eligible Equity Shareholders on the Record Date. The Issue Price of ₹ 2/- per Equity Share has been arrived at prior to determination of the Record Date.

Our company has received “**In-Principle Approval**” from NSE vide their letter dated June 14, 2023 in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue. Our Company will make application to NSE to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN **INE098220010** for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see “**Terms of the Issue**” beginning on page 155 of the Letter of Offer.

ASSOCIATION OF OUR DIRECTORS WITH SECURITIES MARKET

We confirm that none of our Director(s), Promoter(s) or Promoter Group are associated with the securities market in any manner except for trading on day to day basis for the purpose of investment.

PROHIBITION BY SEBI AND OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Final Letter of Offer.

Neither our Promoters, nor any of our Director(s) or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

None of our Directors or Promoter is associated with the securities market in any manner.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

PROHIBITION BY RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

COMPLIANCE WITH COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent it may be applicable to them as on date of this Final Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on National Stock Exchange of India Limited (NSE). Our Company undertakes to make an application to National Stock Exchange of India Limited (NSE) for listing of the Rights Equity Shares to be issued pursuant to this Issue.

COMPLIANCE WITH REGULATIONS 61 AND 62 OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange and has received the **“In-Principle Approval”** for listing of the Rights Equity Shares to be issued pursuant to this Issue. National Stock Exchange of India Limited (NSE) is the Designated Stock Exchange for this Issue.

COMPLIANCE WITH PART B-1 OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below;

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Final Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the website of NSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

However, in terms of Clause (3) of Part B of Schedule VI of the SEBI ICDR Regulations, following issuers shall mandatorily make disclosures in the Letter of Offer as specified in Part B-1 of this Schedule:

- a) an issuer whose management has undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable and is making a rights issue of specified securities for the first time NSE to such change and a period of three full years has not elapsed since such a change;
- b) an issuer whose specified securities have been listed consequent to the relaxation granted by the Board under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 for listing of its specified securities pursuant to a scheme sanctioned by a High Court under sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under sections 230-234 of the Companies Act, 2013, as applicable, and is making a rights issue of specified securities for the first time NSE to such listing and a period of three full years has not elapsed since such listing.

DISCLAIMER CLAUSE OF SEBI

Final Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding Rs. 5,000.00 Lakhs, however this letter of offer will be filed with SEBI for dissemination purpose.

DISCLAIMER FROM OUR COMPANY AND OUR DIRECTORS

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

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

DISCLAIMER IN RESPECT OF JURISDICTION

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

DISCLAIMER CLAUSE OF NSE

As required, a copy of the Final Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of the Letter of Offer is set out below:

“NSE (“the Exchange”) has given vide its letter dated June 14, 2023, permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i) Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- ii) Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- iii) Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company 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 for any other reason whatsoever”

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of the Issue is National Stock Exchange of India Limited.

LISTING

Our Company will apply to NSE for final approval of listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

SELLING RESTRICTIONS

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 to achieve Minimum Public Shareholding and RE's shall be issued to eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023.

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 in order to achieve Minimum Public Shareholding. The Copy of this letter of Offer will be dispatch to the eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023.

The distribution of this Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons in to whose possession this Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and serve such restrictions. Our Company is making this Issue on a rights basis to the Eligible Public Equity Shareholders of our Company and will dispatch the Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

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

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THERE IN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR IN TO THE UNITED STATES AT ANYTIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be post marked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America;(ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may in fringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only 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 are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THERE IN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR IN TO ANY OTHER JURISDICTION AT ANYTIME.

CONSENTS

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Legal Advisors to the Issue, Advisors to the Issue, Tax Advisors to the Issue, Statutory Auditor of the Company, Bankers to the Company, Registrar to the Company, Registrar to the Issue and the Bankers to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn upto the date of this Letter of Offer.

EXPERT OPINION

Except for the reports of the Auditor of our Company on the audited Financial Information and Statement of Tax Benefits, included in the Final Letter of Offer, our Company has not obtained any expert opinions.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC / RIGHTS ISSUE OF OUR COMPANY

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer.

PERFORMANCE VIS-À-VIS OBJECTS–LAST ISSUE OF LISTED SUBSIDIARIES OR ASSOCIATES

As of the date of this Letter of Offer, our Company does not have any subsidiary or associate company.

STOCK MARKET DATA OF THE EQUITY SHARES

Our Equity Shares are listed and traded on NSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled “**Market Price Information**” on page 141 of this Letter of Offer.

FILING

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

STATUS OF OUTSTANDING INVESTOR COMPLAINTS

As on the date of this Letter of Offer, there were no outstanding Investor complaints. As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 15 (Fifteen) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photo copy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "Terms of the Issue" beginning on page 155. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Investor Grievances arising out of this Issue Investors may contact the Registrar to the Issue at:

Registrar to the Issue

Cameo Corporate Services Limited

Subramanian Building, 1 Club House Road, Chennai - 600 002

Tel: +91 - 44 4002 0700

Email: rights@cameoindia.com

Investor Grievance Email id: investor@cameoindia.com

Website: <https://rights.cameoindia.com/vaxtex>
Contact Person: Ms. K. Sreepriya
SEBI Registration No: INR000003753
CIN: U67120TN1998PLC041613

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue / post-Issue related matters such as non-receipt of Letters of Allotment / share certificates / demat credit / Refund Orders etc.

Ms. Vinita Keswani Company Secretary and Compliance Officer of the Company.

SECTION VIII: ISSUE INFORMATION TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Final Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of this Final Letter of Offer. Investors who are eligible to apply under the ASBA process as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 and Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020. As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause.

1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time, such physical shareholders may be allowed to submit their application subject to the conditions prescribed in the SEBI Circulars dated May 06, 2020 and July 24, 2020.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Final Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

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

Important:

1) Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations, SEBI circulars SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and the MCA Circular, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their email address to our Company. The Final Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their email addresses to our Company.

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

- a) Our Company at <https://vaxtexcotfabltd.com/>
- b) the Registrar to the Issue at <https://rights.cameoindia.com/vaxtex>
- c) the Stock Exchanges at www.nseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at <https://rights.cameoindia.com/vaxtex> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company i.e., <https://vaxtexcotfabltd.com/>.

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

2) *Facilities for Application in this Issue:*

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 (Collectively hereafter referred to as “**SEBI Rights Issue Circulars**”) and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as “**ASBA Circulars**”), all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 our Company will make use of advertisements etc., including in the form of crawlers / tickers, to disseminate information relating to the Application process in India.

3) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date i.e. Monday, August 7, 2023, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, **Vaxtex Cotfab Limited Right Issue Suspense Escrow Demat Account**) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings. Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details / records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two working days prior to the Issue Closing Date to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

4) *Application by Eligible Equity Shareholders holding Equity Shares in physical form:*

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- (i) the Eligible Equity Shareholders / Eligible Resident Shareholders apply only through ASBA.
- (ii) the Eligible Equity Shareholders are residents;
- (iii) the Eligible Equity Shareholders are not making payment from non-resident account;
- (iv) the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- (v) the Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in Section Terms of the Issue “***Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***” and “***Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner***” on pages 157 and 177, respectively.

5) *Other important links and helpline:*

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

- a) Frequently asked questions and online / electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: <https://rights.cameoindia.com/vaxtex>
- b) Updation of Indian address/ email address / mobile number in the records maintained by the Registrar or our Company: <https://rights.cameoindia.com/vaxtex>
- c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.cameoindia.com/vaxtex>

Renounees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

Authority for the Issue

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on June 7, 2023 pursuant to Section 62(1)(a) of the Companies Act.

The Board of Directors in their meeting held on July 17, 2023 have determined and altered the Issue Price at ₹ 2/- per Equity Share and the Rights Entitlement as 1 Rights Equity Share for every 2 fully paid-up Equity Shares held on the Record Date i.e. Monday, July 24, 2023.

Our Company has received in-principle approval from NSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to letter dated June 14, 2023.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the

Equity Shares held in physical form at the close of business hours on the Record Date i.e. Monday, July 24, 2023, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement (“REs”) (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., Monday, July 24, 2023, are entitled to the number of Rights Equity Shares as set out in the Application Form at <https://rights.cameoindia.com/Vaxtex>. The link for the same shall also be available on the website of our Company <https://vaxtexcotfabltd.com/>. Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. Monday, July 24, 2023, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to communicate with the Registrar to the Issue in the manner provided on their website i.e. <https://rights.cameoindia.com/vaxtex>. They may also communicate with the Registrar with the help of the helpline number (+91-44-40020710/0706/0741) and their email address is investor@cameoindia.com

Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. Monday, July 24, 2023.

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 to achieve Minimum Public Shareholding and RE’s shall be issued to eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023.

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 in order to achieve Minimum Public Shareholding. The Copy of this letter of Offer will be dispatch to the eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to email addresses of Eligible Equity Shareholders who have provided an email address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their email addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with the Stock Exchange and submitted with SEBI for information and dissemination. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer,

the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 1/-.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ 2/- per Rights Equity Share (including a premium of ₹ 1/- per Rights Equity Share), payable in full on Application, in the Issue. The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations. The Board of Directors at its meeting held on July 17, 2023 has determined and approved the Issue Price.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 Rights Equity Share for every 2 Equity Shares held on the Record Date i.e. Monday, July 24, 2023.

The Board of Directors at its meeting held on July 17, 2023 has determined and approved the Rights Entitlement Ratio.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

Full amount of ₹ 2/- per Equity Share (including premium of ₹ 1/- per Equity Share) shall be payable on Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1 Rights Equity Share for every 2 fully paid-up Equity Shares held on the Record Date i.e. Monday, July 24, 2023. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is in odd figure, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.

Also, those Equity Shareholders holding less than 2 Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. **Application Forms with zero entitlement will be non- negotiable/non-renounceable.**

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

The existing Equity Shares of our Company are listed and traded under the ISIN: INE098201036 on NSE (Symbol: VCL). The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on National Stock Exchange of India Limited (NSE) subject to necessary approvals. Our Company has received in-principle approval from National Stock Exchange of India Limited (NSE) through letter dated June 14, 2023. Our Company will apply to National Stock Exchange of India Limited (NSE) for final approval for the listing and trading of the Rights Equity Shares subsequent to their allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond four days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of fourth day, be liable to repay the money, with interest as applicable.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see "*Capital Structure*" on page 46.

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 holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for trading of Rights Entitlements is One Share. To clarify further, fractional entitlements are not eligible for trading.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

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

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation / splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their email addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard.

Further, our Company will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All statutory notices, required by applicable laws, to the Eligible Equity Shareholders required to be given by our Company shall be published in one (1) English language national daily newspaper with wide circulation, one (1) Hindi language national daily newspaper with wide circulation and one (1) Gujarati (Regional) daily newspaper with wide circulation at the place where our Registered Office is situated.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. Monday, July 24, 2023, see Section Terms of the Issue- ***“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”*** on page 157.

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

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an email address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date i.e. Monday, August 7, 2023. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email-to-email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

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

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

- a) Our Company at <https://vaxtexcotfabltd.com/>
- b) the Registrar to the Issue at <https://rights.cameoindia.com/vaxtex>
- c) the Stock Exchanges at www.nseindia.com

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. <https://rights.cameoindia.com/vaxtex>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., <https://vaxtexcotfabltd.com/>). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date i.e. Monday, July 24, 2023 and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online / electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “**Grounds for Technical Rejection**” on page 174. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “**Application on Plain Paper under ASBA process**” on page 166.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at <https://rights.cameoindia.com/vaxtex> and link of the same would also be available on the website of our Company at <https://vaxtexcotfabltd.com/>. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein. The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in Section Terms of the Issue- *“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”* and *“Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner”* on pages 157 and 177 respectively.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online / electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts,. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using the optional mechanism are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 166.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation, if necessary, with the Designated Stock Exchange and in the manner prescribed under the section titled “*Terms of the Issue*” on page 155. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “*Basis of Allotment*” on page 176.

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

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part;

(a) by using the secondary market platform of the Stock Exchanges; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

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

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE098220010 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (One) Share. To clarify further, fractional entitlements are not eligible for trading.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., August 7, 2023 to August 14, 2023 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE098220010 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

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

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE098220010 the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "***Vaxtex Cotfab Limited – Rights Issue***" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company / Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see “*Modes of Payment*” on page 169.

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

- Name of Issuer;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ 2.00/- per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (“Regulation S”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States.”

“I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.”

“I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.”

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

“I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.”

“I/We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

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

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/vaxtex>. Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is the Issue Closing Date i.e. August 18, 2023. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date i.e. August 7, 2023.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under **“Terms of the Issue - Basis of Allotment”** on page 176.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking.

Mode of payment for Non-Resident Investors

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their email address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at rights@cameoindia.com.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. Monday, July 24, 2023 and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company, in the manner provided on the website of the Registrar to the Issue at <https://rights.cameoindia.com/vaxtex> at least two working days prior to the Issue Closing Date i.e., August 16, 2023. They may also communicate with the Registrar with the help of the helpline number +91-44-40020710/0706/0741 and their email address investor@cameoindia.com.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account to be opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date, i.e. August 16, 2023, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in Section Terms of the Issue- *“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”* and *“Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner”* on pages 157 and 177 respectively.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date i.e. Monday, July 24, 2023] and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two working days prior to the Issue Closing Date i.e. August 16, 2023.
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date i.e. August 17, 2023.
- (c) The Eligible Equity Shareholders can access the Application Form from:
 - the website of the Registrar at <https://rights.cameoindia.com/vaxtex>
 - our Company at <https://vaxtexcotfabltd.com/> and
 - the Stock Exchange at <https://www.nseindia.com/>.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/vaxtex>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e. <https://vaxtexcotfabltd.com/>);

The Eligible Equity Shareholders shall, who are, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date i.e. August 16, 2023, may apply in this Issue during the Issue Period, on or before the Issue Closing Date i.e. August 18, 2023. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN and Client Master List, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

- (a) apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
- (b) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
- (c) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE I.E. MONDAY, JULY 24, 2023 AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see “*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on page 177.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE i.e. MONDAY, JULY 24, 2023.

FOR DETAILS, SEE “ALLOTMENT ADVICES / REFUND ORDERS” ON PAGE 177.

General instructions for Investors

- (a) Please read the Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date i.e. August 16, 2023, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in Section Terms of the Issue- “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on pages 157 and 177 respectively.
- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (e) Application should be made only through the ASBA facility.
- (f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- (g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” page 166.
- (h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- (i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

- (j) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, Please note that on the Issue Closing Date i.e. August 18, 2023, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (k) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- (l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- (q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- (s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

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

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minor having valid demat accounts as per the demographic details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(q) Applicants holding physical shares not submitting the documents. (s) Application from investors who do not hold Rights Entitlement (REs) as on issue closing date in the demat account from which application is submitted.

(r) Applications supported by amounts blocked from a third party bank account

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE i.e. MONDAY, JULY 24, 2023. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "*Investment by Mutual Funds*" below on page 181.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "*Capital Structure*" on page 46.

Underwriting

The Issue is not underwritten.

Issue schedule

Issue Opening Date	Monday, August 7, 2023
Last date for on-market renunciation of rights / Date of closure of trading of Rights Entitlements	Monday, August 14, 2023
Issue Closing Date	Friday, August 18, 2023
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	Friday, August 25, 2023
Date of Allotment (on or about)	Friday, August 25, 2023
Date of credit (on or about)	Tuesday, August 29, 2023
Date of listing (on or about)	Thursday, August 31, 2023

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, that our Board/committee may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board/committee in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- (a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- (b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- (c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders

Our Company will issue and dispatch Allotment advice, refund instructions (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date i.e. August 18, 2023. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("RTGS").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date i.e. August 18, 2023.

The letter of allotment or refund order would be sent by permitted mode i.e. email, registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date i.e., Monday, July 24, 2023, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date i.e. August 16, 2023, the Registrar shall reject the application and will refund the application amount.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

- 1. National Automated Clearing House (“NACH”)** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.
- 2. National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- 3. Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.
- 4. RTGS** – If the refund amount exceeds ₹ 200,000 Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor’s bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED / REVERSED / FAILED.

Investors shall be allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in Section Terms of the Issue- “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” and “Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form” on pages 157 and 177 respectively.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

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. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“**SEBI VCF Regulations**”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“**SEBI FVCI Regulations**”) prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“**SEBI AIF Regulations**”) prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this

Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

NRI can make application in Rights Issue only through ASBA mode. In addition, NRI who is applying in the Rights Issue shall provide their Indian Postal Address to our Company on vaxtexcoffab@gmail.com or to RTA on <https://rights.cameoindia.com/vaxtex> through email or through any mode through courier/registered post. The details of Indian Postal Address should be supported with Utility Bill, Aadhar Card, Bank Statement revealing the Indian Address prior to closing of Rights Issue i.e. August 18, 2023.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date i.e. August 18, 2023. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- (iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (v) No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- (vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (x) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors who are “officers in defaults” shall pay interest for the delayed period, at such rates as prescribed under the applicable laws.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within 2 (Two) working days of the Issue Closing Date i.e. August 16, 2023 or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges wherethe Equity Shares may be proposed to be listed.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in “*Risk Factors*” on page 25.

All enquiries in connection with the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “*Vaxtex Cotfab Limited – Rights Issue*” on the envelope to the Registrar at the following address:

Email id: <https://rights.cameoindia.com/vaxtex>

Registered Address: Subramanian Building, 1 Club House Road, Chennai - 600 002, Tamil Nadu

Validity of Registration: Permanent

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at <https://rights.cameoindia.com/vaxtex>. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is (+91-44-40020710/0706/ 0741)

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Circular 2020”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION IX: STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account / corresponding PAN in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 to achieve Minimum Public Shareholding and RE's shall be issued to eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023.

In adherence with SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 in order to achieve Minimum Public Shareholding. The Copy of this letter of Offer will be dispatch to the eligible equity shareholders as on the Record date i.e. Monday, July 24, 2023.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available at the registered office of the Company from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Bankers to the Issue Agreement dated July 17, 2023 amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation dated December 26, 2005.
3. Certificate of Registration of Regional Director order for Change of State dated September 24, 2013.
4. Certificate of Incorporation pursuant to change of name dated December 30, 2015.
5. Fresh Certificate of Incorporation consequent upon Conversion from Private Company to Public Company dated March 21, 2018.
6. Annual Reports of the Company for the year ended March 31, 2022, 2021 and 2020 and Independent Auditor's Review Report for the Quarter and Year ended on March 31, 2023.
7. Resolution of the Board of Directors dated June 7, 2023 and July 17, 2023 in relation to the Issue and other related matters.
8. Resolution of the Board of Directors dated July 27, 2023 approving and adopting the Letter of Offer.
9. Resolution of the Committee dated July 27, 2023 approving and adopting this Letter of Offer.
10. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Legal Advisors to the Issue, Advisors to the Issue, Tax Advisors to the Issue, Statutory Auditor of the Company, Bankers to the Company, Registrar to the Company, Registrar to the Issue and the Bankers to the Issue to include their names in this Letter of Offer and to act in their respective capacities.
11. Statement of Tax Benefits dated June 7, 2023 from the Statutory Auditor included in this Letter of Offer.
12. In-Principle approval dated June 14, 2023 issued by National Stock Exchange of India Limited.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Name and Designation	Signature
Mr. Mithleshkumar M. Agrawal (Managing Director) DIN: 03468643	Sd/-
Mr. Aakash Rajeshbhai Thakor (Director) DIN: 07960192	Sd/-
Mr. Kunjal Jayantkumar Soni (Director) DIN: 08160838	Sd/-
Mr. Pranav Manoj Vajani (Director) DIN: 09213749	Sd/-
Mr. Ziral Soni (Director) DIN: 09213763	Sd/-
Mr. Digesh Mansukhlal Deshaval (Director) DIN: 09218553	Sd/-

SIGNED BY THE CHIEF FINANCIAL OFFICER AND THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY

Sd/-	Sd/-
Ms. Vinita Keswani	Pratapsingh Zala
Company Secretary and Compliance Officer	Chief Financial Officer

Place: - Ahmedabad
Date: - July 27, 2023