



**GLOBE TEXTILES (INDIA) LIMITED**

Our Company was originally incorporated on October 04, 1995 as “Swaroop Financial Services Private Limited” vide Registration no. 027673/1995-1996 (CIN:U99999GJ1995PTC0027673) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Later, the name of the Company was changed to “Globe Textile (India) Private Limited” vide Shareholder’s Resolution passed at the Extra Ordinary General Meeting of the Company held on March 31, 2006 and a fresh Certificate of Incorporation dated May 23, 2006 issued by the Registrar of Companies, Gujarat, Ahmedabad pursuant to change in name of our Company. Further, Our Company vide Shareholders Resolution passed at the Extra Ordinary General Meeting held on June 24, 2011 and a fresh Certificate of Incorporation dated July 17, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, the name of our Company was changed to “Globe Textiles (India) Private Limited”. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Globe Textiles (India) Private Limited” to “Globe Textiles (India) Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on March 4, 2017 and a fresh certificate of incorporation dated March 22, 2017 issued by the Registrar of Companies, Gujarat, Ahmedabad For further details of our Company, please refer to the chapter titled “General Information” on page 40 of this Letter of Offer.

**Corporate Identification Number:** L65910GJ1995PLC027673

**Registered Office:** Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad, (Gujarat) 380 008

**Telephone:** +91-079 - 2293 1881 to 1885; **Email id:** cs@globetextiles.net

**Website:** <https://globetextiles.net/>

**Contact Person:** Mr. Faruk Diwan, Company Secretary

<b>PROMOTERS OF OUR COMPANY: MR. BHAVIN SURYAKANT PARIKH AND MR. BHAVIK SURYAKANT PARIKH</b>		
<b>FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF GLOBE TEXTILES (INDIA) LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY</b>		
<b>WEHEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS ARE WILFUL DEFAULTERS AS ON DATE OF THIS LETTER OF OFFER</b>		
ISSUE OF UPTO 15,11,41,500 EQUITY SHARES OF FACE VALUE OF RS. 2.00/- EACH (“EQUITY SHARES”) OF GLOBE TEXTILES (INDIA) LIMITED (“GLOBE” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 3 PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF RS. 1 PER EQUITY SHARE) (“ISSUE PRICE”), AGGREGATING UP TO RS. 49,00,00,000/- ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 RIGHT EQUITY SHARE FOR EVERY 1 FULLY PAID-UP EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, I.E., FRIDAY 23RD FEBRUARY 2024 (THE “RECORD DATE”). THE ISSUE PRICE IS 1.5 TIMES OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 167 OF THIS LETTER OF OFFER. #ASSUMING FULL SUBSCRIPTION OF THE ISSUE.		
<b>ON APPLICATION, INVESTORS WILL HAVE TO PAY RS. 3 PER RIGHTS EQUITY SHARE WHICH CONSTITUTES 100% OF THE ISSUE PRICE. FOR DETAILS, REFER “TERMS OF THE ISSUE” ON PAGE 167.</b>		
<b>GENERAL RISKS</b>		
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 our Company and this Issue, including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Specific attention of the investors is invited to the section “Risk Factors” on page 23 of this Letter of Offer.		
<b>OUR COMPANY’S ABSOLUTE RESPONSIBILITY</b>		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.		
<b>LISTING</b>		
The 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 19 <sup>th</sup> February, 2024. 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 NSE.		
<b>REGISTRAR TO THE ISSUE</b>		<b>BANKER TO THE ISSUE</b>
 <b>M/s. Skyline Financial Services Private Limited</b> D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020 Contact person: Mr. Anuj Rana Telephone number: 011-40450193-97 Fax No.: +91-11-26812683 E-mail ID: ipo@skylinerta.com Website: <a href="https://www.skylinerta.com/">https://www.skylinerta.com/</a> SEBI registration number: INR000003241 Investor grievance e-mail: <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a> CIN: U74899DL1995PTC071324		 <b>Kotak Mahindra Bank Limited</b> Kotak Infinity, 6th Floor, Building No. 21, Infinity Park, Off Western Express Highway, General AK Vaidya Marg, Malad (E). Mumbai – 400097 Maharashtra - India. Contact Person: Mr. Amit Kumar Telephone number:+98195 71086 E-mail ID: <a href="mailto:cmsipo@kotak.com">cmsipo@kotak.com</a>
<b>ISSUE PROGRAMME</b>		
<b>ISSUE OPENS ON</b>	<b>LAST DATE FOR MARKET RENUNCIATION*</b>	<b>ISSUE CLOSES ON**</b>
<b>Wednesday, 6 March 2024</b>	<b>Tuesday, 12<sup>th</sup> March 2024</b>	<b>Friday, 15 March 2024</b>

\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the 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.

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## SECTION-I DEFINITIONS AND ABBREVIATIONS

This 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 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 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**”, “**Summary of the Issue**”, “**Financial Information**”, “**Statement of possible Tax benefits**”, “**Outstanding Litigation and Material Developments**” and “**Issue Related Information**” on pages 62, 40, 99, Error! Bookmark not defined., 159 and 167 and respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/chapters.

### CONVENTIONAL/GENERAL TERMS

Term	Description
“GLOBE”, “the Company”, “our Company”, “Issuer” and “GLOBE TEXTILES (INDIA) LIMITED”, “GTIL”	GLOBE TEXTILES (INDIA) LIMITED, a Public Limited Company incorporated under the erstwhile Companies Act, 1956, having its Registered Office at Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad, Ahmedabad, Gujarat, India, 380008
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
Audited Financial Statements / Financial Statements	The audited financial statements of our Company for the year ended March 31, 2023, which comprises the balance sheet as of March 31, 2023, the statement of profit and loss, including other comprehensive income, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
Articles/Articles of Association / AOA	Articles of Association of our Company, as amended from time to time.
Auditors/Statutory Auditors	Our Statutory Auditors namely, M/s. Shah Dhandharia & Co LLP, Chartered Accountants, Ahmedabad.
Board/Board of Directors	Board of Directors of our Company, including a committee thereof.
Chief Financial Officer	Mr. Bhavin Suryakant Parikh, being the Chief Financial Officer of the Company.
Company Secretary and Compliance Officer	Mr. Faruk Diwan, being Company Secretary of the Company.
Director(s)	Any or all director(s) of our Company, unless otherwise specified and as the context may require.
Equity Shareholder(s)/ Shareholder(s)	A holder of the Equity Shares of our Company.
Equity Share(s)	Equity Shares of our Company of face value of Rs. 2.00/- each.
Eligible Equity Shareholder(s)	Equity Shareholders whose names appear on the Register of Members of our Company or on the list of Register of Beneficial Owners of our Company maintained by the Depositories as at the end of business hours of the Record Date i.e., 23 <sup>rd</sup> February 2024.
Executive Directors	Executive directors of our Company.
Financial Statements	Audited Standalone Financial Statements of our Company.
Independent Directors	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 Letter of Offer.
Limited Review Report and Financial Results	The Limited Review Report along with Unaudited Financial Results for the quarter ended on September 2023 of our Company prepared and published in accordance with Regulation 33 of the SEBI Listing Regulations.
Managing Director	Mr. Bhavik Suryakant Parikh is a Managing Director of our Company.
Memorandum/Memorandum of Association/MOA	Memorandum of Association of our Company, as amended from time to time.



Term	Description
Non - Executive Director	A Director, not being an Executive Director of our Company
Promoter	Mr. Bhavik Suryakant Parikh and Mr. Bhavin Suryakant Parikh
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 and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	The Registered office of our Company is situated at 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad, Ahmedabad, Gujarat, India, 380008.
Rights Issue Committee	The committee of our Board constituted/designated for purposes of the Issue and incidental matters thereof.
Subsidiaries	Subsidiaries of our Company as defined under the Companies Act, 2013 and the applicable accounting standard.

#### BUSINESS AND INDUSTRY RELATED TERMS/ABBREVIATIONS

Term / Abbreviation	Description / Full Form
B2B	Business-to-Business
CII	Confederation of Indian Industry
COVID-19	Coronavirus 2019
EBO	Exclusive Brand Outlets
GDP	Gross Domestic Product
GVA	Gross Value Added
IIP	Index of Industrial Production
IMF	The International Monetary Fund
ISO	International Organization for Standardization
Kg/cm2	Kilogram per Square Centimeter
KV	Kilovolt
KVA	Kilovolt-Ampere
LFS	Large Format Stores
LLC	Limited Liability Company
LLP	Limited Liability Partnership
MBO	Multi Brand Outlets
MSME	Micro, Small and Medium Enterprises
QA	Quality Assurance
QC	Quality Control
QMS	Quality Management System
R&D Division	Research and Development division
SiS	Shop-in-Shop
SKU	Single Known Unit
USD	United States Dollar

#### 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, 2018 and the Companies Act, 2013.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
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, 2013.

<b>Term</b>	<b>Description</b>
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, Kotak Mahindra 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 Renounee (s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Letter of Offer, including an ASBA Investor.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form 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, Kotak Mahindra Bank Limited.
Bankers to the Issue Agreement	Agreement dated 21 <sup>st</sup> February 2024 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 167.
Call	The notice issued by our Company to the holders of the Rights Equity Shares as on the Call Record Date for making a payment of the Call Money.
Call Money	The balance amount payable by the holders of the Rights Equity Shares pursuant to the Payment Method, after payment of the Application Money.
Call Record Date	A record date fixed by our Company for the purpose of determining the names of the holders of Rights Equity Shares for the purpose of issuing of the Call.
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 <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> .
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation and bank account details, where applicable.
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

Term	Description
	<a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange Limited
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. Friday, 23 <sup>rd</sup> February 2024. 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 13.
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, Kotak Mahindra 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 15,11,41,500 <sup>#</sup> Rights Equity Shares of face value of Rs. 2.00/- each, at a price of Rs. 3/- per share (including share premium of Rs. 1/- per share) not exceeding an amount of Rs. 49,00,00,000/- on a Rights basis to the Eligible Equity Shareholders of our Company in the ratio of 1 Rights Equity Shares for every 1 Fully Paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. 23 <sup>rd</sup> February 2024.  <i># Assuming full subscription of the Issues</i>
Issue Closing Date	Friday, 15 <sup>th</sup> March 2024
Issue Opening Date	Wednesday, 6 <sup>th</sup> March 2024
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. 3/- per share (including Rs. 1/- as share premium)
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Upto 15,11,41,500 <sup>#</sup> Rights Equity Shares of face value of Rs. 2.00/- each, at a price of Rs. 3/- per share (including share premium of Rs. 1/- per share) not exceeding an amount of Rs. 49,00,00,000/-.  <i># Assuming full subscription of the Issue.</i>
Letter of Offer/LOF	This Letter of Offer dated 9 <sup>th</sup> January 2024 to be filed with the Stock Exchange.
Net Proceeds	Proceeds of the Issue less our Company’s share of Issue related expenses. For further information about the Issue related expenses, see “ <b>Objects of the Issue</b> ” on page 19 of this Letter of Offer.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act, 2013.
NSE	National Stock Exchange India Limited
Non - ASBA Investor / Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(j) 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

Term	Description
	circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before 12 <sup>th</sup> March, 2024.
Payment Method	Payment method under which amount payable on Application is Rs. 3/- per Rights Equity Share and the right to call up the remaining paid-up capital in one or more calls, as determined by our Board or the Rights Issue Committee thereof, at its sole discretion.
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. Friday, 23 <sup>rd</sup> February 2024.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) is opened, in this case being, Kotak Mahendra Bank Limited.
Registrar to the Issue/ Registrar	M/s. Skyline Financial Services Private Limited CIN: U74899DL1995PTC071324 Address: D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020 Contact person: Mr. Anuj Rana Telephone number: 011-40450193-97 Fax No.: +91-11-26812683 E-mail ID: <a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a> Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a> SEBI registration number: INR000003241 Investor grievance e-mail: <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a>
Renouncee(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, 2018, the SEBI Rights Issue Circular, the Companies Act, 2013 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 12 <sup>th</sup> March 2024, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Bidders(s) / Retail Individual Investor(s) / RII(s) / RIB(s)	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations, 2018.
Rights Entitlements/REs	The number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, i.e. 23 <sup>rd</sup> February 2024, in this case being 1 Rights Equity Share for every 1 Fully Paid-Up Equity Shares held by the Eligible Equity Shareholders of our Company.  Pursuant to the provisions of the SEBI ICDR Regulations, 2018 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, on partly paid-up basis pursuant to receipt of Application Money.
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

Term	Description
	at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , 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 <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time
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 except 2 <sup>nd</sup> and 4 <sup>th</sup> Saturdays of the month, Sundays, Public holidays, State and National holidays, on which commercial banks in West Bengal; 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 2 <sup>nd</sup> and 4 <sup>th</sup> Saturdays, Sundays, Public holidays, State and National 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 Saturdays, Sundays and trading holidays.

#### ABBREVIATIONS

Term / Abbreviation	Description/ Full Form
₹ / ₹/ Rupees/ INR	Indian Rupees
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee/Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
NSE	National Stock Exchange India Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CAD	Canadian Dollar
CB	Controlling Branch
CC	Cash Credit

Term / Abbreviation	Description/ Full Form
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act, 1913	The Indian Companies Act, 1913 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)
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
CENVAT	Central Value Added Tax
CST	Central Sales Tax
ICMAI	The Institute of Cost Accountants of India
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
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
EGM/EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/EXIM Policy	Export – Import Policy
ESI Act	Employees' State Insurance Act, 1948.
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FIPB	Foreign Investment Promotion Board
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.
FY/Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value



Term / Abbreviation	Description/ Full Form
GOI/Government	Government of India
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
ICAI	The Institute of Chartered Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
INR/₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
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
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number.
IT	Information Technology.
KMP	Key Managerial Personnel
LM	Lead Manager/Merchant Banker
Ltd.	Limited
MCA	The Ministry of Corporate Affairs, GOI
MAT	Minimum Alternate Tax
MD	Managing Director
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
Mn / mn	Million.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account

Term / Abbreviation	Description/ Full Form
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRI	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt. Ltd.	Private Limited
ROC	Registrar of Companies
RBI	The Reserve Bank of India
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, 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, 2000
Securities Act	The United States Securities Act of 1933
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
Trademarks Act	Trademarks Act, 1999



Term / Abbreviation	Description/ Full Form
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
UIN	Unique identification number
US/United States	United States of America
USD/US\$/ \$	United States Dollar, the official currency of the Unites States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF/Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 2000) registered with SEBI under applicable laws in India.
WDV	Written Down Value
WTD	Whole Time Director
W.E.F.	With effect from

## NOTICE TO INVESTOR

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and this 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 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 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 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 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 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 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 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 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 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 dematerialized Form.

The contents of this 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. Friday, 23<sup>rd</sup> February 2024.**

**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. Friday, 23<sup>rd</sup> February 2024.**

## **PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA**

### **Certain Conventions**

All references to "India" contained in this 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 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 Letter of Offer is in Indian Standard Time ("IST"). Unless indicated otherwise; all references to a year in this 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 Letter of Offer are to the page numbers of this Letter of Offer.

### **Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer has been derived from our Financial Statements. For details, please see "**Financial Information**" on page 99. 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 12 (Twelve) month period ended on March 31 of that year.

The MCA has adopted the Indian Accounting Standards ("**Ind AS**"), which are based on International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act, 2013 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 2022-23 and 2021-22 are prepared in accordance with Ind AS Rules, Section 133 of the Companies Act, 2013 & other the relevant provisions of the Companies Act, 2013 and in accordance with the applicable SEBI Regulations, & the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI.

The Unaudited Financial Results of our Company for the Quarter ended on September 30, 2023 is prepared in accordance with IND AS, Section 133 of Companies Act, 2013 and SEBI LODR Regulations, 2015.

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

Accordingly, the degree to which the financial information included in this 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, 2013 and the SEBI ICDR Regulations, 2018. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see "**Financial Information**" on page 99.

Certain figures contained in this 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 Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this 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 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 Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

### Exchange Rates

This 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, 2018. 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	Exchange rate as on			
	March 31, 2023	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 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 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 23 of this 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 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 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 Letter of Offer that are not historical facts.

These forward-looking statements contained in this 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**" beginning on pages 23, and 70 respectively, of this 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 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 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 Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

## SECTION-II- SUMMARY OF LETTER OF OFFER

The following is a general summary of the Terms of this Issue, and should be read in conjunction with and is qualified by more detailed information appearing in this Letter of Offer, including the sections titled “*Risk Factors*”, “*Summary of the Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Our Business*”, “*Industry Overview*”, “*Outstanding Litigation*” and “*Terms of the Issue*” on pages 23, 40, 45, 19, 70, 62, 159 and 167 respectively.

### Our Company

Our Company was originally incorporated on October 04, 1995, as “Swaroop Financial Services Private Limited” as a Private Limited Company under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Later, the name of the Company was changed to “Globe Textile (India) Private Limited” vide Shareholder’s Resolution passed at the Extra Ordinary General Meeting of the Company held on March 31, 2006, and a fresh Certificate of Incorporation dated May 23, 2006, issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli, pursuant to change in the name of our Company. Further, Our Company vide Shareholders Resolution passed at the Extra Ordinary General Meeting held on June 24, 2011, and a fresh Certificate of Incorporation dated July 17, 2011, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, the name of our Company was changed to “Globe Textiles (India) Private Limited”. Later, our Company was converted into a Public Limited Company and consequently, the name of the company was changed from “Globe Textiles (India) Private Limited” to “Globe Textiles (India) Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on March 4, 2017, and a fresh certificate of incorporation dated March 22, 2017, issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. For further details about our company, please refer to the chapter titled “General Information” on page 40 of this Letter of Offer.

### OUR PROMOTERS

Our Promoters are Bhavin Suryakant Parikh and Bhavik Suryakant Parikh. For details, please see to the section titled “Our Promoters” on page 18 of this Letter of Offer

### SUMMARY OF OUR INDUSTRY

Globe Textiles (India) Limited was established in the year 1995 and engaged in manufacturing of Garments, cotton printed fabrics, home textiles and fancy fabrics. Our Company’s manufacturing activities are undertaken at three different units situated at:-

- Unit I : Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad – 380008, Gujarat, India
- Unit II : Shed No. 13 to 18, Shree Shakti Estate and Warehouses, Saijpur-Gopalpur, Piplej-Pirana Road, Piplej, Ahmedabad – 382405, Gujarat, India
- Unit III : Shed No. 19, 22 to 24, Shree Shakti Estate and Warehouses, Saijpur-Gopalpur, Piplej-Pirana Road, Piplej, Ahmedabad – 382405, Gujarat, India
- Unit IV : Shed No. 20, Shree Shakti Estate and Warehouses, Saijpur-Gopalpur, Piplej-Pirana Road, Piplej, Ahmedabad – 382405, Gujarat, India
- Unit V : Shed No. 2 to 11, Shree Shakti Estate and Warehouses, Saijpur-Gopalpur, Piplej-Pirana Road, Piplej, Ahmedabad – 382405, Gujarat, India
- Unit VI : Shed No. 2, Ground Floor to Third Floor, Sharnam Estate-3, Opp. Anupam Cinema, Khokhra, Ahmedabad – 380 050, Gujarat, India
- Unit VII : 177/2, Shahwadi, Opp. Shahwadi Octroi Naka Old, Ahmedabad – 382405, Gujarat, India

Our Company caters both domestic as well as international markets. Our Company has also been recognized by Government of India as a “One Star Export House”. Also we have, over the years, received many accolades such as our manufacturing units are an OKO-TEX certified textiles units for manufacturing of fabrics and home textiles. Our company majorly focuses in high quality of fabrics and garments across globe utilizing best technology, delivering quality textiles at the most competitive prices and maintaining long term association with our clients.

Our Company was founded by Mr. Suryakant Hiralal Parikh along with Mr. Vijaybhai Shah, Mr. Dilipbhai Adesara and Mr. Dilipbhai Pandya in the year 1995 and presently promoted by Mr. Bhavik Suryakant Parikh and Mr. Bhavin Suryakant Parikh who have experience of about two decades in textiles business. The vast experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters and senior management team and their experience of over decades in the textiles and textiles products. Further, our on-going manufacturing units are equipped with all equipment and facilities for manufacturing of fabrics along with all the other allied equipments. Our Company is also engaged in trading of yarns, denims and Non denims fabrics, Shirting fabrics and Jeans. Also we perform job work for many clients. Our Company based on its experience and its standards, conforms to major specifications and customer requirements. We firmly believe in benchmark product quality, customer centric approach, people focus, ethical business practices and good corporate citizenship. We have been developing a marketing strategy for our products. Our Company's proficiency lies in understanding the prevailing trends in all the products which we market in addition to the buying preferences of our consumers and accordingly manufacture quality fabrics to assure them of product quality, comfort and fit uniformity. Further, our experience also lies in identifying the gaps and foraying into the untapped market of garment segments with distinct products. Further our Company has appointed Business and Commission Agents for Middle East/ Gulf Countries to increase the presence in foreign countries.

For further details, please refer to chapter titled "Our Business" and "History and Certain Corporate Matters" on pages 70 and 86 of this Letter of Offer.

#### **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:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount to be financed from Net Proceeds of the Issue (Rs. in Lakhs)</b>	<b>Estimated deployment in FY 2023-24 (Rs. in Lakhs)</b>	<b>Estimated deployment in FY 2024-25 (Rs. in Lakhs)</b>
1.	Acquisition of Equity Shares in Globe Denwash Private Limited	2000.00	2000.00	-
2.	Repayment of Loan availed from the related party through conversion outstanding Loan to Equity	1449.74	1449.74	-
3.	Working Capital	1050.26	1050.26	-
4.	General Corporate Purpose**	400.00	400.00	-
<b>Net Proceeds*</b>		<b>4900.00</b>	<b>4900.00</b>	<b>-</b>

<sup>^</sup>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 amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

For further details, please see chapter titled "Objects of the Issue" beginning on page 19 of this Letter of Offer.

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

We have been informed by our Promoters together with other persons in the Promoter Group by way of letter dated 1<sup>st</sup> January 2024 have confirmed that they intend to (i) subscribe the full extent of our rights entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations; and (b) together with other persons in the Promoter Group will subscribe to the full extent of the aggregate rights entitlement of the Promoter and the Promoter Group in the Issue, and will further subscribe to such number of additional Equity Shares for any unsubscribed portion in the Issue as may be required to ensure that the aggregate subscription in the Issue shall be 100% of the Equity Shares offered in the Issue.

The objects of the Issue involve (i) the Acquisition of Equity Shares in Globe Denwash Private Limited (ii) working capital (iii) general corporate purposes. Further, Our Promoter, have undertaken that they will subscribe to the full extent of their Rights Entitlements and together with other persons in the Promoter Group will subscribe to the full extent of the aggregate rights entitlement of the Promoter and the Promoter Group in the Issue, and will further subscribe to such number of additional Equity Shares for any unsubscribed portion, as may think prudent and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoter and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI LODR Regulations. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue. The allotment of Equity Shares subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions.

## 2. Summary of Outstanding Litigation

A summary of the pending proceedings and other material litigations involving our Company, our Promoter and Promoter Group, 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	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax Proceedings	1	875.43
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	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
2.	Litigation Involving Our Promoters		
i.	Litigation against 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	NIL	NIL



Sr. No.	Particulars	Number of cases outstanding	Amount involved in such proceedings (Rs. In Lakh)
	SEBI or any stock exchange in the last five Fiscals		
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 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
ii.	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)	NIL	NIL

For further details, please see the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page no. 159 of this Letter of Offer.

### 3. Risk Factors

Please refer the chapter titled “**Risk Factors**” on page no. 23 of this Letter of Offer.

### 4. Summary of Contingent Liabilities

For details, please refer “**Financial Information**” on page no. 99 of this Letter of Offer.

### 5. Summary of Related Party Transactions

For details, please refer “**Financial Information**” on page no. 99 of this Letter of Offer.

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

Our Company has not issued any equity shares for consideration other than cash in last one year.

**7. Split or consolidation of Equity Shares in last one year**

Our Company has not sub-divided or consolidated its Equity shares in last one year. Hence, this clause is not applicable in this Issue.

**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. Friday, 23<sup>rd</sup> February 2024.**

**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. Friday, 23<sup>rd</sup> February 2024.**

### SECTION III: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment.

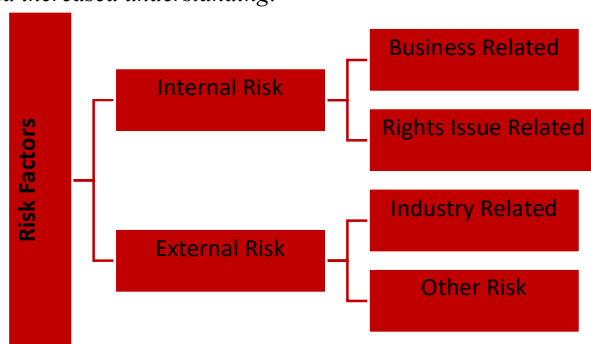
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 70, of this Letter of Offer as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

- Some risks may not be material individually but may be found material collectively;
- Some risks may have material impact qualitatively instead of quantitatively;
- Some risks may not be material at present but may have material impact in future.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of our Company used in this section is derived from our Financial Information prepared in accordance with IND AS and the Companies Act. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 5 of this Letter of Offer. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The 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 many factors, including the considerations described below and elsewhere in the Letter of Offer. The risk factors are classified as under for the sake of better clarity and increased understanding:



## INTERNAL RISK FACTORS

1. *Our Company, Promoters and Group Companies are involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.*

Our Company, Promoters and Group Companies are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters and actions by regulatory/ statutory authorities against our Company, Promoters, Group Companies and Directors 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	NIL	NIL
c)	Actions taken by Statutory/ Regulatory Authorities	NIL	NIL
d)	Tax Proceedings	1	875.43
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	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
2.	Litigation Involving Our Promoters		
i.	Litigation against 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
ii.	Litigation by our Promoters		
a)	Criminal proceedings	NIL	NIL
b)	Civil Proceedings	NIL	NIL

Sr. No.	Particulars	Number of cases outstanding	Amount involved in such proceedings (Rs. In Lakh)
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
ii.	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)	NIL	NIL

For further details, please see the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page no. 159 of this Letter of Offer.

2. ***Continued operations of our manufacturing facilities are critical to our garment manufacturing business and any disruption in the operation of our facilities may have a material adverse effect on our business, results of operations and financial condition.***

We operate three manufacturing facilities in Ahmedabad, Gujarat and our manufacturing facilities are subject to operating risks, such as unavailability of machinery, break-down, obsolescence or failure of machinery, disruption in power supply or processes, performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Further, we have primarily imported our machinery from outside India. In the event of a breakdown or failure of such machinery, replacement parts may not be available in India and such machinery may have to be sent for repairs or servicing to the country from where it was procured. This may lead to delay and disruption in our production process that could have an adverse impact on our sales, results of operations, business growth and prospects.

In addition, our customers in India and outside India rely significantly on the timely delivery of our products and our

ability to provide an uninterrupted supply of our products is critical to our business. Any disruption of operations of our manufacturing facilities could result in delayed delivery of our products or defects in the garments delivered to our customers, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. Our business and financial results may be adversely affected by any disruption of operations of our manufacturing facilities, on account of factors including any or all of the factors mentioned above.

- 3. Our Company has not entered into any fixed contracts with its customers and we will operate on the basis of orders received on hand. Inability to maintain regular order flow would adversely impact our revenues and profitability Long-term business relationship in turn benefits continuous order.***

We have not entered into any fixed contracts with our 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 materials. 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, quality consistency, fluctuation in demand for our Company's products and customer's inventory management.

Although we place a strong emphasis on quality, pricing and 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.

- 4. We may not be able to prevent unauthorized use of trademarks obtained/ applied for by third parties, which may lead to the dilution of our goodwill.***

We have obtained trademark registrations of our brands, including "Globe Textiles" and "Globe Eshop" under class 24 & 25 under the Trade Marks Act, 1999 ("Trade Marks Act"), any unauthorized use of our trademarks by unrelated third parties may damage our reputation and brand. Preventing trademark infringement, particularly in India, is difficult, costly and time-consuming. The measures we take to protect our trademarks may not be adequate to prevent unauthorized use by third parties, which may affect our brand and in turn adversely affect our business, financial condition, results of operations and prospects.

With respect to applications made for registration of trademarks, some of our trademark applications are objected to by other parties. For further details in relation to the status of our trademark applications, see "Intellectual Property Legislations" on page 84 of this letter of offer. We cannot assure you that our applications will be accepted and that the trademarks will be registered. Pending the registration of these trademarks we may have a lesser recourse to initiate legal proceedings to protect our brands. Further, our applications for the registration of certain trademarks may be opposed by third parties and we may have to incur expenses in relation to these oppositions. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to avail the legal protection or prevent unauthorized use of such trademarks by third parties, which may affect our Brand and business. For further details on the trademarks, Objected or pending registration, please refer to the chapter titled "Government and Other Approvals – Intellectual Property Rights" on page 84 of this Letter of offer.

- 5. We have significant power requirements for continuous running of our factories. 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. Further, we have limited options in relation to maintenance of power back-ups such as diesel generator sets and any increase in diesel prices will increase our operating expenses which may impact our business margins.

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 a limited number of electricity providers in the 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.

**6. *We do not maintain long-term contracts with our third-party suppliers, and our business may be adversely affected by a shortfall in supply, or increase in price of materials.***

Substantially all our raw materials are purchased from third parties. We do not have any long-term supply contracts with any of our specific suppliers with respect to our material requirements and typically place orders with them in advance of our anticipated requirements. The availability of these materials is subject to many risks, including insect or animal infestation, adverse weather conditions, adverse ground conditions and natural and other disasters. Certain materials are available only at specific times during a year due to the seasonality of growing periods and harvest times in India. Furthermore, materials are subject to price volatility caused by factors, including commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand and changes in governmental agricultural programs. Material price increases result in corresponding increases in our selling costs. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure materials from alternate suppliers in a timely fashion, or on terms acceptable us, may adversely affect our operations.

We rely on the adequate and timely availability of materials. Any supply chain disruptions may impact our material sourcing, which in turn may impact our ability to fulfill the demand of the customers. Any significant change in the cost structure or disruption in supply may affect the pricing and supply of products. If we are not able to increase our product prices to offset increased material costs, or if unit volume sales are significantly reduced, it could have an adverse impact on our profitability. This may adversely affect our business and financial performance.

**7. *Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair our ability to deliver our products to our customers and/ or increase our transportation costs, which may adversely affect our operations.***

We utilize third party transportation services by road and freight for procurement and supply of our products and from/ to our suppliers and customers. Transportation by road and freight involves risks, including, collision, grounding, storm, fire, explosion, lightning, political instability, and operating restrictions/ lockdown consequent to outbreak of infectious diseases, such as the COVID-19 pandemic. Any delay or disruption caused to the transportation of materials could adversely impact our ability to procure the materials as well as to meet the delivery schedule of the customers in an economical manner. To ensure timely delivery of our products, we may also be required to maintain a relatively high level of inventory of our products and this may also resultantly increase our cost.

In addition, any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

**8. *The industry in which we operate is highly competitive. Increased competition can affect market share and pricing.***

The industry in which we operate is highly competitive, with exporters and traders from various countries supplying yarns to different markets. Increased competition can affect market share and pricing, which can impact the profitability of our company. The competition can come from both domestic and international suppliers, and the

company should be aware of the competitive landscape and take appropriate measures to remain competitive. Our company can also explore new markets and expand our product offerings to reduce the impact of competition. The reports on the Industry suggests that manufacturers have been using a smaller proportion of cotton and polyester in their products, which has opened up new opportunities in terms of developing new fiber blends and expanding into new markets. Our company should also be aware of the pricing strategies of our competitors and adjust its pricing accordingly. The company can also invest in research and development to improve its manufacturing processes and reduce costs, which can help it remain competitive in the long run. Post Covid, Indian goods are gaining more acceptance because of duty slapped on Chinese goods. India's future looks more opportunistic in local as well as export market.

**9. *Orders placed by customers may be delayed, modified, canceled 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 may postpone the delivery of such products or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customer's discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. 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. Any material delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default with regard to the orders placed with us, or 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 revenue of our company. Further, we operate in competitive markets in relation to our products where it is difficult to predict whether and when we will receive such awards. As a result, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when such orders are awarded to us and the commencement and progress of work under the orders placed. For further details of our business, please refer to the chapter titled "Our Business" beginning on Page 70 of this Letter of Offer.

**10. *Our operations are subject to high working capital requirements. If we are unable to generate sufficient cash flows to allow us to make required payments, there may be an adverse effect on our results of operations.***

Our business requires a significant amount of working capital and a major portion of our working capital is utilized towards debtors, inventories, and cash and cash equivalents. Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. Further, we have also experienced a high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, it may affect our business operations and financials. However, we stay connected with customers to avoid any further impact we foresee.

**11. *Our business is subject to seasonal and other fluctuations that may affect our cash flows and business operations.***

Our business and operations may be affected by seasonal factors which may restrict our ability to carry on activities related to our orders received and fully utilize our resources. Heavy or sustained rainfalls or other extreme weather conditions such as cyclones could result in delays or disruptions to our operations during the critical periods. This may result in delays in execution of orders and also reduce our productivity. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses and our order related activities may be delayed or reduced. Adverse seasonal developments may also require the evacuation of personnel, suspension or curtailment of operations, resulting in delays in the delivery of products etc.

**12. *Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.***



Our operations involve extending credit for extended periods of time to our customers in respect of our products, and consequently, we face the risk of non-receipt of these outstanding amounts in a timely manner or at all, particularly in the absence of long-term arrangements with our customers. Our credit terms vary from 0 days to 90 days for our customers. Our inability to collect receivables from our customers in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows. If we are unable to collect receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause dealers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customers may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

**13. *We are subject to certain government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business and results of operations may be adversely affected.***

Compliance with environmental regulations is a crucial aspect of our industry. Compliance with environmental regulations may involve implementing proper management practices, including the safe handling, storage, and disposal of materials.

Our operations are subject to certain government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. For details of approvals relating to our business and operations, see “Government and Other Approvals” on page 161.

Some of these approvals are granted for a limited duration and require renewal. Further, while we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. We cannot assure you that we will be able to obtain such consent in a timely manner. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected. The approvals required by our Company are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

**14. *Our business is dependent on developing and maintaining continuing relationships with our customers. The loss of any significant client or customer could have a material adverse effect on our business, financial condition and results of operations.***

Our business is dependent on developing and maintaining a continuing relationship with our key customers. In the event of a significant decline in the demand for our products or services by our key customers, our business, results of operations and financial condition may be materially and adversely affected. There can be no assurance that we will be able to maintain the historic levels of business from these customers or that we will be able to replace these customers in case we lose any of them.

**15. *Our Company has experienced negative cash flow from operating activities in prior periods and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.***

Our Company has experienced negative net cash flows from operating activities in the past, the details of which are

provided below:

(Amount in ₹ lakhs)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash generated from operating activities	-73.80	-871.90	-726.26
Net cash used in investing activities	-253.80	-34.08	-88.81
Net cash used in financing activities	353.23	914.06	805.64
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>-2.37</b>	<b>8.08</b>	<b>-9.44</b>

16. *The success of our business strategy depends on our ability to enhance our product portfolio. If we fail to maintain and enhance our brand and reputation, consumers' recognition of our brands, and trust in us, our business may be materially and adversely affected.*

Our brand and reputation are among our most important assets and we believe our brands serve in attracting consumers to our products in preference over those of our competitors. Enhancing our own brands, including various schemes, direct marketing is one of our most important business strategies. Consumers in existing or new markets may be unfamiliar with our brand and products and we may need to build or increase brand awareness in the relevant markets by increasing investments in advertising and promotional activities than we originally planned. We face, and will continue to face, competition with established brands in the new markets we intend to enter. We have incurred, and may continue to incur in the future, significant expenditures for advertising and marketing campaigns in an effort to build brand awareness and achieve preference over competing products. We may not be successful in our efforts to expand our brand presence and we cannot guarantee that our advertising and marketing campaigns will result in customer or consumer acceptance of our brands. Our success in marketing our products also depends on our ability to adapt to a rapidly changing market environment. If we do not successfully maintain, extend and expand our reputation and brand image, then our brands, product sales, financial condition, future cash flows and results of operations could be materially and adversely affected. We have well versed designers who are active in product development. We also have research and development to be ahead in trend.

17. *Our actual results could differ from the estimates and projections used to prepare our financial statements.*

The estimates and projections are based on and reflect our current expectations, assumptions and/ or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

18. *We will enter into certain related party transactions and may continue to do so.*

We will enter into related party transactions with our Promoters, its group members/ entities, and Directors. While we believe that all such transactions will be conducted on arm's length basis, however it is difficult to ascertain whether more favorable terms will be achieved if such transactions be entered with unrelated parties. Furthermore, it is likely that we will continue to enter into related party transactions in the near future as well. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. We are in compliance with Related Party Transactions as per the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For further details regarding the related party transactions, see the disclosure on related party transactions contained in the financial statements included in this Letter of Offer and, also see the section "Financial Information" on page no. 99 of this Letter of Offer.

19. *If we are unable to raise additional capital, our business prospects could be adversely affected.*

We intend to fund our development plans through our cash on hand, cash flow from operations and from the Net Proceeds. We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our

operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

**20. *Any delay or default in Customer payment could result in the reduction of our profits.***

Our operations involve extending credit for extended periods of time to our certain customers and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables. If our customers delay or default in making these payments, our profits margins could be adversely affected.

**21. *The Promoters and Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors (including our Promoters) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "Our Management on page 91.

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

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business and our results of operations. The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

**23. *Our Company has availed certain unsecured loans that are callable by the lenders at any time.***

Our Company had availed certain unsecured loans and may continue to do so in future that are callable on demand by the lenders. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. In case the loan is recalled on demand by the lender and our Company is unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. For further details, please refer chapter titled "Financial Information" beginning on page 99 of this Letter of Offer.

24. ***In addition to our existing indebtedness for our operations, we may be required to obtain further loan during the course of business. There can be no assurance that we would be able to service our existing and/or additional indebtedness.***

In addition to our existing indebtedness for our existing operations we may be required to raise further debt in the form of term loans and working capital loans in the course of business. Increased borrowings, if any, would adversely affect our debt-equity ratio and our ability to further borrow at competitive rates. Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations. For further details of our indebtedness, please refer to the chapter titled “Financial Information” on page 99 of this Letter of Offer.

25. ***Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised.***

Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies, and have not been appraised by an independent entity. In the absence of such independent appraisal, or the requirement for us to appoint a monitoring agency in terms of the SEBI Regulations, the deployment of the net proceeds is at our discretion. We cannot assure you that we will be able to monitor and report the deployment of the Net Proceeds in a manner similar to that of a monitoring agency. Further, we may have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations or other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at the discretion of our Board. Additionally, various risks and uncertainties, including those set out in this “Risk Factors” section, may limit or delay our Company’s efforts to use the Net Proceeds and to achieve profitable growth in our business.

26. ***We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation and goodwill of our Company. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

27. ***Our Board of Directors and management may change our operating policies and strategies without prior notice or shareholder approval.***

Our Board of Directors and management has the authority to modify certain of our operating policies and strategies without prior notice (except as required by law) and without shareholder approval. We cannot predict the effect that any changes to our current operating policies or strategies would have on our business, operating results and the price of our Equity Shares.

28. ***Industry information included in this Letter of Offer has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Letter of Offer. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of

our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Letter of Offer.

**29. *Managing employee benefit pressures in India may prevent us from sustaining our competitive advantage which could adversely affect our business prospects and future financial performance.***

Employee benefits represent a major expense for us and our ability to maintain or reduce such costs is critical for our business operations. We may be required to increase employee compensation levels to remain competitive and manage attrition, and consequently we may need to increase the prices of our products and services. An increase in wages/ salaries paid to our employees may result in a material adverse effect on our profits in the event that we are unable to pass on such increased expenditure to our customers without losing their business to our competitors. Likewise, if we are unable to sustain or increase the number of employees as necessary to meet growing demand, our business, financial condition and results of operations could be adversely affected.

## **RISKS RELATING TO RIGHTS ISSUE**

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

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

**2. *There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner.***

In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted.

For further information on issue procedure, see "**Issue Information**" beginning on page 52.

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

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Right Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is 12<sup>th</sup> March 2024), such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 167.

- 4. The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.***

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who 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. Such Eligible Equity Shareholders are required to send, amongst others, details of their demat accounts to our Company or the Registrar to enable our Company to transfer, after verification of the details of such demat account by the Registrar, the Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares. For details, see “*Terms of the Issue*” on page 167.

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

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 167. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

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

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

complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

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

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

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

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Director's fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders' rights 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 one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction. In accordance with the provisions of the Companies Act, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company.

**9. *No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchange, the trading of Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

**10. *The Proceeding of right issue will be utilized for purchase of Equity Shares of Globe Denwash Private Limited, wherein the Promoter and Promoter Group interested.***

The Company has proposed to utilize the amount of INR 2000 Crores, from the proceed of right issue, toward acquisition of Shares from the Shareholders of Globe Denwash Private Limited, therein the Promoter and Promoters Group are interested. Further, the Promoter and Promoter Group of the Company are holding 100% shares in Globe Denwash Private Limited. The details as been provided at the Particulars of the Issue at the Page No 52. Further, the Company has passed shareholders' Special Resolution dated 7<sup>th</sup> March 2023 and the Audit Committee has reconfirmed the same on their meeting held on 11<sup>th</sup> November 2023.

## **EXTERNAL RISK FACTORS**

**1. *Any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations.***

The outbreak, or threatened outbreak, of any severe communicable disease could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our clients and service providers, which could adversely affect our business, financial condition and results of operations

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of any future pandemic or widespread public health emergency will cause an economic slowdown and it is possible that it could cause a global recession. The spread of any future pandemic or widespread public health emergency will cause us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which any future pandemic or widespread public health emergency further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. The degree to which any future pandemic or widespread public health emergency impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is imposed, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company. The full extent to which any future pandemic or widespread public health emergency impacts our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the scope, severity, and duration of the pandemic; actions taken by governments, business and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure; disruptions or restrictions on our employees' and suppliers' ability to work and travel; any extended period of remote work arrangements; and strain on our or our customers' business continuity plans, and resultant operational risk.

**2. *A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the country in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports of materials, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margin.

**3. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.***



Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to **“Key Industry Regulations and Policies”** on page 161 of this Letter of Offer for details of the laws currently applicable to us.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Our Company will comply with relevant regulations as and when applicable. However, any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge being collected by the central and state governments. The GST has led to increase tax incidence and administrative compliance. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

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

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically linked to general price levels. There can be no assurance that we will be able to pass on any additional costs to our clients 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.

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

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

**6. *We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards (“IFRS”). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.***

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the “IFRS Convergence Note”). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. Our financial condition, results of operations, cash flows or changes in shareholders’ equity may appear materially different under IFRS than under Indian GAAP or our adoption of converged Indian Accounting Standards may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative Fiscal/period.

**7. *Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.***

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as “systemic risk,” may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counterparty, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, financial condition, results of operations and cash flows.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**9. *Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.***

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company’s business could cause its results of operations to suffer. Any significant change in India’s economic policies could disrupt business and economic conditions in India generally and the Company’s business in particular.

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

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India’s economy and our business. Incidents such as the Mumbai terrorist attacks and other acts of violence may adversely affect the Indian stock markets where our Equity

Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

## SECTION –IV INTRODUCTION

This Issue has been authorized through a resolution passed by our Board at its meeting held on January 09, 2024 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 167 of this Letter of Offer.

### SUMMARY OF THE ISSUE

<b>Equity shares offered through the Issue</b>	Upto 15,11,41,500 Equity Shares
<b>Rights Entitlements</b>	Upto 1 Rights Equity Share for every 1 Fully Paid-up Equity Share held by the Existing Equity Shareholders of our Company on the Record Date i.e. Friday 23 <sup>rd</sup> February 2024
<b>Record Date</b>	Friday 23 <sup>rd</sup> February 2024
<b>Face Value per Equity Shares</b>	Rs. 2.00/- per share
<b>Issue Price per Equity Share</b>	Rs. 3/- per share (including Rs. 1/- as share premium)
<b>Issue Size</b>	Upto 15,11,41,500 <sup>1</sup> Equity Shares of face value of Rs. 2.00/- each for cash at a price of Rs. 3/- per share (including a share premium of Rs. 1/- each) aggregating upto Rs. 49,00,00,000/-
<b>Voting Rights and Dividend</b>	The Equity Shares issued pursuant to this Issue shall rank pari passu in all respects with the Existing Equity Shares of our Company.
<b>Equity Shares issued, subscribed and paid up prior to the Issue</b>	15,11,41,500 Equity Shares
<b>Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	Upto 30,22,83,000 <sup>2</sup> Equity Shares
<b>Scrip Details</b>	<b>ISIN:</b> INE581X01021 <b>NSE:</b> GLOBE
<b>Terms of the Issue</b>	Please refer to the section titled “Terms of the Issue” on page 167 of this Letter of Offer
<b>Use of Issue Proceeds</b>	Please refer to the section titled “Objects of the Issue” on page <b>Error! Bookmark not defined.</b> of this Letter of Offer.
<b>Fractional Entitlement</b>	For details in relation fractional entitlements, see "Terms of the Issue" beginning on page 167 of this Letter of Offer
<b>Terms of payment</b>	Please refer to the chapter titled “Terms of the Issue” on page 167 of this Letter of Offer.

### TERMS OF PAYMENT

Due Date	Amount
<i>For issue of upto Rs. 49,00,00,000 Rights Equity Shares</i>	
On Application in this Issue	Rs. 3/- per Rights Equity Share

### GENERAL INFORMATION

Pursuant to the resolution passed by our Board at its meeting held on January 09, 2024, our Company has been authorized to make the following Rights Issue to the Equity Shareholders of our Company.

Issue of upto 15,11,41,500 Equity Shares of face value of Rs. 2/- each for cash at a price of Rs. 3/- per Equity share (including a share premium of Rs. 1/- per Equity share), aggregating upto Rs. 49,00,00,000/- (Rupees Forty-Nine Crores Only) on a rights basis to the Existing Equity Shareholders of our Company on the Record date i.e. 23<sup>rd</sup> February 2024, in

<sup>1</sup> Assuming full subscription, to be adjusted as per the Rights Entitlement ratio

<sup>2</sup> Assuming full subscription and full Allotment

the ratio of 1 Rights Equity Shares for every 1 Fully Paid-up Equity Shares. The Issue Price is 1.5 times of face value of the Equity Shares.

For further details, please refer to the chapter titled “Terms of the Issue” on page 167 of this Letter of Offer.

#### REGISTERED OFFICE OF OUR COMPANY

##### **GLOBE TEXTILES (INDIA) LIMITED - Registered Office Address:**

Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad - 380 008 (Gujarat)

**Tel:** +91-079 - 2293 1881 to 1885

**Email:** [cs@globetextiles.net](mailto:cs@globetextiles.net)

**Website:** <https://globetextiles.net/>

**CIN:** L65910GJ1995PLC027673

**Registration Number:** 027673

#### BOARD OF DIRECTORS

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

Name of the Director	Designation	DIN	Address
Mr. Bhavik Suryakant Parikh	Chairman and Managing Director	00038223	A-1002, Chandanbala Flats, Opp. Suvidha Shopping Centre, Paldi Ahmedabad - 380007
Mr. Nilaybhai Jagdishbhai Vora	Executive Director	02158990	B - 303, Sagar Samrat Apartment, Near Jalaram Mandir, Ellisbridge, Ahmedabad 380006, Gujarat, India
Mrs. Purvi Bhavin Parikh	Non-Executive Non Independent Director	07732523	A-1002, Chandanbala Flats, Opp. Suvidha Shopping Center, Paldi, Ahmedabad 380007, Gujarat, India
Mr. Yogesh Kanhiyalal Vaidya	Non-Executive Independent Director	00468732	45/B, Yogeshwar Nagar Society Near Bhattha, Vasna Road, Paldi Ahmedabad-380007, Gujarat, India
Mr. Bharatbhai Samjibhai Patel	Non-Executive Independent Director	00243783	7, Shishir Bunglows, 3/4 Wood Fiwld, Row-House, Opp.Rajpath Club, S.G.Road, Ahmedabad-380054, Gujarat, India
Mr. Rajatkumar Dineshbhai Patel	Non-Executive Independent Director	09124295	Baharano Madh Upera Mahesana, 384170, Gujarat, India

For further details of our Board of Directors, see “Our Management” on page 91 of this Letter of Offer.

#### ADDRESS OF THE REGISTRAR OF COMPANIES

Our Company is registered with the ROC, Ahmedabad, Gujarat which is situated at the following Address:

Registrar of Companies, Gujarat  
 ROC Bhavan, Opp Rupal Park Society,  
 Behind Ankur Bus Stop,  
 Naranpura, Ahmedabad - 380 013(Gujarat)  
 Contact No.: 079-27438531  
 Email id: [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

## **COMPANY SECRETARY AND COMPLIANCE OFFICER**

Mr. Faruk Diwan

Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad - 380 008 (Gujarat)

Tel: +91-079 - 2293 1881 to 1885

Email: [cs@globetextiles.net](mailto:cs@globetextiles.net)

Investors may contact Compliance Officer or Registrar to the Issue for any pre-issue/post-issue related matters such as non-receipt of letters of allotment/share certificates/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 for grievances related to ASBA, giving full details such as name, address of the applicant, e-mail id of the first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA account number and the Designated Branch of the SCSBs where the plain paper application was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For further details on the ASBA process, please refer to the section titled "Terms of the Issue" beginning on page 167 of this Letter of Offer.

## **REGISTRAR TO THE ISSUE**

M/s. Skyline Financial Services Private Limited

Address: D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020

Contact person: Mr. Anuj Rana

Telephone number: 011-40450193-97

Fax No.: +91-11-26812683

E-mail ID: [ipo@skylinerta.com](mailto:ipo@skylinerta.com)

Website: <https://www.skylinerta.com/>

SEBI registration number: INR000003241

Investor grievance e-mail: [grievances@skylinerta.com](mailto:grievances@skylinerta.com)

CIN: U74899DL1995PTC071324

## **STATUTORY AUDITORS OF OUR COMPANY**

M/s. Shah Dhandharia & Co LLP

Chartered Accountants

Address: 507, Abhijeet-I, Mithakhali Six Roads, Navrangpura, Ahmedabad - 380 009, Gujarat

Contact No.: 079-48901710

Email: [info@sdco.com](mailto:info@sdco.com)

Contact Person: Mr. Karan Amlani

Membership Number: 193557

Firm Registration No.: 118707W/ W100724

## **BANKERS TO THE ISSUE**

Kotak Mahindra Bank Limited

Kotak Infiniti, 6th Floor, Building No. 21,

Infinity Park, Off Western Express Highway,

General AK Vaidya Marg, Malad (E), Mumbai – 400097

Tel No: +98195 71086

Email: [cmsipo@kotak.com](mailto:cmsipo@kotak.com)

## **Details of Key Intermediaries pertaining to this Issue of our Company**

### **Advisors to the Issue:**

K Jatin & Co  
Company Secretaries,  
601, Grace Business Park, Sola,  
Ahmedabad - 380 061 (Gujarat)  
Tel: +91-8866 576084  
E-mail id: [office@kjatin.com](mailto:office@kjatin.com)  
Mem No.: F11418  
COP: 12043

### **Registrar to the Company:**

Name: Bigshare Services Private Limited  
Address: A-802, Samudra Complex, Near Klassic Gold Hotel,  
Off C.G Road, Navrangpura, Ahmedabad – 380 009 (Gujarat)  
E-mail id: [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)  
Contact: 079-40024135  
Contact Person: Mr. Ramesh Nair  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)  
SEBI Registration: INR000001385

### **Bankers to the Company:**

Bank of Maharashtra  
Bhadra Branch, Mavalankar Haveli, Vasant Chawk, Bhadra, Ahmedabad – 380 001

Union Bank of India  
424/11, B/h. Law College, Ellisbridge, C.G. Road, Ahmedabad – 380 009

The Karur Vysya Bank Limited  
CBU Ahmedabad at 1st Floor, Motilal Centre, Ashram Road, Near Sales India Show Room, Ahmedabad -380 009

### **Experts**

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

### **Designated Intermediaries**

#### **Self-Certified Syndicate Bankers**

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.

For further details on the ASBA process, please refer to the details given in ASBA form and to the chapter titled “Terms of the Issue” starting on page 167 of this Letter of Offer.

## **Investor Grievances**

Investors may contact the 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 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**

This being an Issue of Equity shares, no credit rating is required.

Inter-se allocation of Responsibilities for the Issue

The Company has not appointed any merchant banker to the Issue (except for the purpose of obtaining pricing certificate, as may be required,) and hence there is no inter-se allocation of responsibilities.

## **Debenture Trustees**

This being an issue of Equity Shares, the appointment of Debenture Trustees is not required.

## **Monitoring Agency**

As the Issue size is less than Rs. 10,000 lakhs, under the SEBI ICDR Regulations, the Company is not required to appoint a Monitoring Agency pertaining to this Issue.

## **Underwriting Agreement**

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

## **Appraising Entity**

None of the purposes for which the Issue Proceeds are proposed to be utilized have been financially appraised by any Bank or Financial Institution.

## **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 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.

## **Changes in Auditors during the last three years**

M/s. Shah Dhandharia & Co LLP, Chartered Accountants (FRN: 118707W/W100724), Ahmedabad have been appointed as the Statutory Auditors of the Company for a term of 5 (Five) consecutive years, from the conclusion of the 24th Annual General Meeting of the Company till the conclusion of the 29th Annual General Meeting of the Company to be held in calendar year 2023-24 at such remuneration plus applicable taxes thereon and as may be mutually agreed between the



Board of Directors of the Company and Statutory Auditor, in addition to reimbursement of all out-of-pocket expenses as may be incurred by them for the purpose of audit.

### Issue Schedule

Last date for credit of Rights entitlements	Wednesday, 28 <sup>th</sup> February 2024
Issue opening date	Wednesday, 6 <sup>th</sup> March 2024
Last Date on Market Renunciation of Rights/ Date of closure of trading of Rights Entitlements#	Tuesday, 12 <sup>th</sup> March 2024
Issue Closing Date*	Friday, 15 <sup>th</sup> March 2024
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	Tuesday, 19 <sup>th</sup> March 2024
Date of Allotment (on or about)	Wednesday, 20 <sup>th</sup> March 2024
Date of Credit (on or about)	Tuesday, 26 <sup>th</sup> March 2024
Date of Listing (on or about)	Friday, 29 <sup>th</sup> March 2024

#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 but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

\*\*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.

### 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 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 Letter of Offer has been filed with the National Stock Exchange of India Limited and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the National Stock Exchange India Limited.

### CAPITAL STRUCTURE

Our Company's share capital, as on the date of this Letter of Offer, is set forth below:

(Amount in Lakhs except share data)

	Particulars	Aggregate value at Face Value	Aggregate value at Issue Price
A	AUTHORISED SHARE CAPITAL		
	30,50,00,000 Equity Shares of face value of Rs. 2.00 each	6100.00	N.A.
B	ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE		
	15,11,41,500 Equity Shares of face value of Rs. 2.00 each	3022.83	N.A.
C	PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS LETTER OF OFFER(1)		
	Upto 15,11,41,500 Rights Equity Shares of face value of Rs.	3022.83	4534.24

	Particulars	Aggregate value at Face Value	Aggregate value at Issue Price
	2.00 each for cash at a price of Rs. 3 per Equity Share		
D	ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE		
	30,22,83,000(2)(3) Fully Paid-up Equity Shares	6045.66	N.A.
E	SECURITIES PREMIUM ACCOUNT		
	Before this Issue	Nil	
	After this Issue(3)	1511.41	

(1) This Issue has been authorized by a resolution passed by our Board at its meeting held on January 09, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

(2) Assuming full subscription for and Allotment of the Rights Entitlements.

(3) Assuming full subscription and allotment & receipt of all call monies with respect to the Rights Equity Shares.

#### Notes to the Capital Structure:

Our Company does not have any employee stock option scheme or employee stock purchase scheme.

Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Letter of Offer, which would entitle the holders to acquire further Equity Shares.

All the Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Letter of Offer. For further details on the terms of the Issue, please see the chapter titled “Terms of the Issue” on page 167 of this Letter of Offer.

#### Shareholding of Promoter and Promoter Group:

The details of Equity Shares held by the Promoter and Promoter Group including the details of lock-in, pledge and encumbrance on such Equity Shares as of December 30, 2023, are set forth below:

Sr. No.	Name of the Promoter & Promoter Group***	Number of fully paid-up Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Details of Equity Shares pledged / encumbered		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total shares held	No. of Equity Shares	% of Total Shares held
1	BHAVIN SURYAKANT PARIKH	26124300	17.28	0	0.00	0	0.00
2	BHAVIK SURYAKANT PARIKH	3187035	2.11	0	0.00	0	0.00
3	BHAVIK SURYAKANT PARIKH HUF	0	0	0	0.00	0	0.00

Sr. No.	Name of the Promoter & Promoter Group***	Number of fully paid-up Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Details of Equity Shares pledged / encumbered		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total shares held	No. of Equity Shares	% of Total Shares held
4	BHAVIN SURYAKANT PARIKH HUF	0	0	0	0.00	0	0.00
5	ADITYA PARIKH	0	0	0	0.00	0	0.00
6	MISHIKA PARIKH	0	0	0	0.00	0	0.00
7	BINABEN PIYUSHKUMAR BHANSHALI	0	0	0	0.00	0	0.00
8	SHRIDEVI KOTHARI	0	0	0	0.00	0	0.00
9	SHREYANSH KOTHARI	0	0	0	0.00	0	0.00
10	SHRILEKHA BENKER	0	0	0	0.00	0	0.00
11	SHREYA KOTHARI	0	0	0	0.00	0	0.00
12	KHUSHI PARIKH	0	0	0	0.00	0	0.00
13	VIVAA PARIKH	0	0	0	0.00	0	0.00
14	PRAKASH JIVANDAS MAJITHIA	0	0	0	0.00	0	0.00
15	TARA PRAKASH MAJITHIA	0	0	0	0.00	0	0.00
16	YASH MAJITHIA	0	0	0	0.00	0	0.00
17	SHARDABEN SURYAKANT PARIKH	2137500	1.41	0	0.00	0	0.00
18	ASHA ADANI	0	0	0	0.00	0	0.00
19	GLOBE DENWASH PRIVATE LIMITED	0	0	0	0.00	0	0.00
20	AJITNATH ARCADE PRIVATE LIMITED	0	0	0	0.00	0	0.00
21	AADI REAL ESTATE	0	0	0	0.00	0	0.00

Sr. No.	Name of the Promoter & Promoter Group***	Number of fully paid-up Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Details of Equity Shares pledged / encumbered		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total shares held	No. of Equity Shares	% of Total Shares held
	DEVELOPERS PRIVATE LIMITED						
22	YESSWORKS SPACES PRIVATE LIMITED	0	0	0	0.00	0	0.00
23	SHAPE OF YOU PRIVATE LIMITED	0	0	0	0.00	0	0.00
24	FUNDTONIC SERVICE PRIVATE LIMITED	0	0	0	0.00	0	0.00
25	SCALE MASTER INCUBATION FOUNDATION	0	0	0	0.00	0	0.00
26	GIS FOUNDATION	0	0	0	0.00	0	0.00
27	SHANTINATH INFRABUILD PRIVATE LIMITED	0	0	0	0.00	0	0.00
28	AADITYA BIZTRADE CENTER PRIVATE LIMITED	0	0	0	0.00	0	0.00
29	ADITYA PROHOUSE PRIVATE LIMITED	0	0	0	0.00	0	0.00
30	PADAMSHREE GLOBE TRADELINK LIMITED	0	0	0	0.00	0	0.00
31	WINCO VALVES PRIVATE LIMITED	0	0	0	0.00	0	0.00
32	JAGDISHKUMAR MANILAL VORA	542500	0.36	0	0.00	0	0.00

Sr. No.	Name of the Promoter & Promoter Group***	Number of fully paid-up Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Details of Equity Shares pledged / encumbered		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total shares held	No. of Equity Shares	% of Total Shares held
33	PURVI BHAVIN PARIKH	13062150	8.64	0	0.00	0	0.00
34	NILAYBHAI JAGDISHBHAI VORA	10860000	7.19	0	0.00	0	0.00
35	SHRADDHA BHAVIK PARIKH	5912150	3.91	0	0.00	0	0.00
36	APPLE INCUBATION CENTER LLP	0	0	0	0.00	0	0.00
37	FUNDTONIC TECHNOLOGY LLP	0	0	0	0.00	0	0.00
38	GLOBE TEXFEB - LLP	0	0	0	0.00	0	0.00
39	KUNTHUNATH IMPEX LLP	0	0	0	0.00	0	0.00
40	SIDDHI TRADETECH LLP	0	0	0	0.00	0	0.00
41	PARIKH INVESTMENT	0	0	0	0.00	0	0.00
42	FAMILY FUND	0	0	0	0.00	0	0.00
43	KHUSHI INVESTMENT	0	0	0	0.00	0	0.00
44	AADITYA RAJ DEVELOPERS	0	0	0	0.00	0	0.00
45	PARIKH HATHISINGH UJAMCHAND SARVAJANIK SAKHAWAIT	0	0	0	0.00	0	0.00

#### Details of Equity Shares acquired by Promoter or Promoter Group in the last one year

During the last one year, the promoter has not acquired any equity shares.

#### Intention and extent of participation in the Issue by the Promoter and Promoter Group

The Promoters and members of the Promoter Group of our Company have indicated their intention to subscribe, jointly and/or severally to the full extent of their Rights Entitlement and 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.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI SAST Regulations is 4.086.

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

The details of the promoter and promoter group shareholders holding of the Company as on date of this Letter of Offer are as under:

Sr. No.	Name of Promoters and Promoter Group***	No. of Equity Shares held	% of Total share capital
1	BHAVIN SURYAKANT PARIKH	26124300	17.28
2	BHAVIK SURYAKANT PARIKH	3187035	2.11
3	BHAVIK SURYAKANT PARIKH HUF	0	0
4	BHAVIN SURYAKANT PARIKH HUF	0	0
5	ADITYA PARIKH	0	0
6	MISHIKA PARIKH	0	0
7	BINABEN PIYUSHKUMAAR BHANSHALI	0	0
8	SHRIDEVI KOTHARI	0	0
9	SHREYANSH KOTHARI	0	0
10	SHRILEKHA BENKER	0	0
11	SHREYA KOTHARI	0	0
12	KHUSHI PARIKH	0	0
13	VIVAA PARIKH	0	0
14	PRAKASH JIVANDAS MAJITHIA	0	0
15	TARA PRAKASH MAJITHIA	0	0
16	YASH MAJITHIA	0	0
17	SHARDABEN SURYAKANT PARIKH	2137500	1.41
18	ASHA ADANI	0	0
19	GLOBE DENWASH PRIVATE LIMITED	0	0
20	AJITNATH ARCADE PRIVATE LIMITED	0	0
21	AADI REAL ESTATE DEVELOPERS PRIVATE LIMITED	0	0
22	YESSWORKS SPACES PRIVATE LIMITED	0	0
23	SHAPE OF YOU PRIVATE LIMITED	0	0
24	FUNDTONIC SERVICE PRIVATE LIMITED	0	0
25	SCALE MASTER INCUBATION FOUNDATION	0	0
26	GIS FOUNDATION	0	0
27	SHANTINATH INFRABUILD PRIVATE LIMITED	0	0
28	AADITYA BIZTRADE CENTER PRIVATE LIMITED	0	0
29	ADITYA PROHOUSE PRIVATE LIMITED	0	0

Sr. No.	Name of Promoters and Promoter Group***	No. of Equity Shares held	% of Total share capital
30	PADAMSHREE GLOBE TRADELINK LIMITED	0	0
31	WINCO VALVES PRIVATE LIMITED	0	0
32	JAGDISHKUMAR MANILAL VORA	542500	0.36
33	PURVI BHAVIN PARIKH	13062150	8.64
34	NILAYBHAI JAGDISHBHAI VORA	10860000	7.19
35	SHRADDHA BHAVIK PARIKH	5912150	3.91
36	APPLE INCUBATION CENTER LLP	0	0
37	FUNDTONIC TECHNOLOGY LLP	0	0
38	GLOBE TEXFEB - LLP	0	0
39	KUNTHUNATH IMPEX LLP	0	0
40	SIDDHI TRADETECH LLP	0	0
41	PARIKH INVESTMENT	0	0
42	FAMILY FUND	0	0
43	KHUSHI INVESTMENT	0	0
44	AADITYA RAJ DEVELOPERS	0	0
45	PARIKH HATHISINGH UJAMCHAND SARVAJANIK SAKHAWAIT	0	0

Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on December 30, 2023 is available on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=GLOBE&tabIndex=equity>

Statement showing holding of the Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on December 30, 2023 can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=GLOBE&tabIndex=equity>

The statement showing holding of Equity Shares belonging to the category “Public” including the details of lock-in, pledge of and encumbrance thereon as on December 30, 2023, can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=GLOBE&tabIndex=equity>

Statement showing shareholding pattern of the Non Promoter-Non Public shareholder of our Company as on December 30, 2023 can be accessed on the website of NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=GLOBE&tabIndex=equity>

## SECTION – V PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

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

1. Acquisition of Equity shares in Globe Denwash Private Limited
2. Repayment of Loan availed from the related party through conversion outstanding Loan to Equity
3. working capital requirements
4. General Corporate Purpose

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

### ISSUE PROCEEDS

The Details of Issue proceeds and its utilization are as under:

Particulars	Estimated Amount (in Lakhs)
Gross Proceeds to be raised through the Issue	4900.00
Less: Issue related expenses	15.00
Net Proceeds to be raised through the issue	4885.00
Utilization of the net proceeds	
(a) Acquisition of Equity shares in Globe Denwash Private Limited	2000.00
(b) Repayment of Loan availed from the related party through conversion of outstanding Loan to Equity	1449.74
(c) working capital requirements	1050.26
(d) General Corporate Purpose	400.00
<b>Net Proceeds</b>	<b>4900.00</b>

### UTILISATION 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 (Rs. in Lakhs)	Estimated deployment in FY 2023-24 (Rs. in Lakhs)	Estimated deployment in FY 2024-25 (Rs. in Lakhs)
1.	Acquisition of Equity Shares in Globe Denwash Private Limited	2000.00	2000.00	-
2.	Repayment of Loan availed from the related party through conversion of outstanding Loan to Equity	1449.74	1449.74	-
3.	Working Capital	1050.26	1050.26	-
4.	General Corporate Purpose**	400.00	400.00	-
<b>Net Proceeds*</b>		<b>4900.00</b>	<b>4900.00</b>	<b>-</b>

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, which is complied with all the applicable laws. 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.

### 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 to be issue and through existing identifiable accruals.

### DETAILS OF USE OF ISSUE PROCEEDS

#### Acquisition of Equity shares in Globe Denwash Private Limited

M/s. Globe Denwash Private Limited (hereinafter referred as “GDPL”), a private limited Company incorporated on 27<sup>th</sup> of February 2017. GDPL is vision of promoters, Mr. Bhavik Suryakant Parikh and Mr. Nilaybhai Jagdishbhai Vora for setting up a “House of Denim Fashion”, which would churn out products of first liking. With latest and environment friendly technology with different variety of product mix, better service and best facility which would help open/attract various domestic and international brands.

Since 1995, the promoters have already been engaged in garment sector and understand the needs of different brands. After being successful in setting up factory of stitching denim and non-denim garments, next vision is to set up in house washing unit. The Company approached GITCO in March 2017 to get its project appraised to assess the long-term viability after considering the Technical, Market and Financial aspects.

GDPL is having its Registered Office at 180/3, Block No. E, Shyam Jyot Estate, Nr. Motipura Cross Road, Shahwadi-Saijpur Road, Shahwadi, Ahmedabad - 382 405. GDPL is carrying on the business of denim garment washing through various washing like abrasion Process, acid wash, enzyme wash, stone wash or through any other methodology, finishing of garments and also engaged in manufacturing of garments.

The Investment by M/s. Globe Textiles (India) Limited is proposed to be undertaken by way of acquisition of Equity shares of M/s. Globe Denwash Private Limited for an aggregate estimated amount of Rs. 2000.00 Lakh, wherein our Promoter and Promoter Group are interest. The Members of the Company passed Special Resolution was passed on March 07, 2023, and the Audit Committee has reconfirmed it in their meeting held on November 11, 2023.

Additional disclosures for one of the objects being investment in nature

Sr. No.	Particulars	Status
1.	Name of Entity	Globe Denwash Private Limited
2.	Details of form of Investment	Equity shares
3.	If form of Investment has not been decided, a statement to that effect	Not applicable
4.	If Investment is in debt instrument, complete details regarding rate of interest, whether secured or unsecured	Not applicable
5.	If Investment is in Equity, whether any dividends are assured	No
6.	The nature of the Benefit expected to accrue as	As a result of investment, the company may increase

Sr. No.	Particulars	Status												
	a result of the investment	its market share by implementing a forward integration strategy. As a vertically integrated unit, the Company get the attraction of mid European and USA customers. Value addition of washing unit helps to edge over competition, product development. There shall be increase in margin of the Company. With larger washing capacity, the Company can widen its stitching capacity for future growth. Post investment, the Company is able to increase the product mix and also get the benefit of wide range of products. With the larger washing unit, the Company gets increased asset base which helps to generate more profitability and benefit to all the stake holders.												
7.	Shareholding Details of Globe Denwash Private Limited	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #800000; color: white;">Sr. No.</th> <th style="background-color: #800000; color: white;">Name of Shareholders</th> <th style="background-color: #800000; color: white;">No of Shares</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>Bhavik Suryakant Parikh</td> <td>16,89,500</td> </tr> <tr> <td>02</td> <td>Bhavin Suryakant Parikh</td> <td>9,56,000</td> </tr> <tr> <td>03</td> <td>Nilay Jagdishbhai Vora</td> <td>1,64,500</td> </tr> </tbody> </table>	Sr. No.	Name of Shareholders	No of Shares	01	Bhavik Suryakant Parikh	16,89,500	02	Bhavin Suryakant Parikh	9,56,000	03	Nilay Jagdishbhai Vora	1,64,500
Sr. No.	Name of Shareholders	No of Shares												
01	Bhavik Suryakant Parikh	16,89,500												
02	Bhavin Suryakant Parikh	9,56,000												
03	Nilay Jagdishbhai Vora	1,64,500												

**Repayment of Loan availed from the related party through conversion outstanding Loan to Equity:**

Our company has taken various financing arrangements such as term loans, working capital loans, and listed and unsecured loans from promoters and directors of the company as a regular course of business. The working capital loans we take are usually short-term, and we repay them within three to six months from the date of availing. Our Company proposes to use the unsecured borrowing from promoters and directors on a long-term basis to adjust their unsecured borrowing towards the application money to be received by the company. This adjustment is for the subscription to the rights equity shares to be allotted in this issue, to the extent of their entitlement, renunciation of entitlement made in their favour by the members of the promoter group (if any), as well as additional rights equity shares to be applied by them for the unsubscribed portion, in part or full, as the case may be, in the issue. As a result, the company will not receive fresh issue proceeds to that extent. In this instance, the company has not faced any cash outflow.

The following table sets forth certain details regarding Outstanding Loan, for conversion of Loan into equity, from Promoter and Promoter Group:

(Amount in Lakhs)

Sr. No.	Name of Promoter and Promoter Group	Outstanding Amount as on 9 <sup>th</sup> January 2024
01.	Mr. Bhavik Suryakant Parikh	541.50
02.	Mr. Bhavin Suryakant Parikh	687.05
03.	Mrs. Shraddha Bhavik Parikh	202.50
04.	Mr. Nilaybhai Jagdishbhai Vora	18.69
<b>Total</b>		<b>1449.74</b>

Mr. Bhavik Suryakant Parikh and Mr. Bhavin Suryakant Parikh, being the promoters of our Company, Mrs. Shraddha Bhavik Parikh and Mr. Nilaybhai Jagdishbhai Vora, being the members of our promoter group, have vide their letter dated January 09, 2024, confirmed that an amount of Rs. 541.50 lakhs, Rs. 687.05 lakhs, Rs. 202.50 lakhs and Rs. 18.69 lakhs respectively, which has been availed by our Company, in the nature of identified unsecured loans, is proposed to be adjusted towards the application money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, to the extent of their entitlement, renunciation of entitlement made in their favour by the members of Promoter Group (if any)

as well as Additional Rights Equity Shares to be applied by them for the unsubscribed portion, (in part or full, as the case may be) in the Issue. Consequently, no fresh Issue proceeds would be received by our Company to such an extent.

#### Working capital requirements:

Our business is working capital intensive. We finance our working capital requirement from our internal accruals, and bank finance and unsecured loan received from Promoter and Promoter Group including Inter Corporate Loans. Considering the existing and future growth, the working capital needs of our Company, as assessed based on the internal workings of our Company, is expected to reach Rs. 6060.51 Lakhs.

We intend to meet our working capital requirements to the extent of Rs. 1050.26 Lakhs from the Net Proceeds of this Issue and the balance will be met from internal accruals at an appropriate time as per the requirement.

#### Detailed Assessment of Working Capital:

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

(Rs. in Lakhs)

Sr. No	Particulars	2020-21 (Audited)		2021-22 (Audited)		2022-23 (Audited)		As on 30.09.2023 (UnAudited)		2023-24 (Projected)	
		Rs.	Holding Days	Rs.	Holding Days	Rs.	Holding Days	Rs.	Holding Days	Rs.	Holding Days
<b>A</b>	<b>Current Asset</b>										
1	Trade Receivables	11163.2	157	12443.6	119	10890.7	100	17117.78	133	11450.00	100
2	Other Current Asset	1915.06	27	1530.55	15	1299.83	12	1359.39	11	1299.83	11
3	Inventories	6358.38	95	8524.65	89	8422.94	89	9433.57	73	8979.58	89
4	Cash & Cash Equivalent	7.33		15.41		13.04		10.04		980.04	
	<b>Total (A)</b>	<b>19444</b>		<b>22514.2</b>		<b>20626.5</b>		<b>27920.78</b>		<b>22709.45</b>	
<b>B</b>	<b>Current Liabilities</b>										
1	Trade Payable	8397.98	126	7097.75	74	6982.64	73	13750.47	112	8096.31	70
2	Other Current Liabilities	359.76	5	755.25	7	552.63	5	289.91	2	552.63	5
3	Other Financial Liabilities	7289.62		11016.1		8393.88		8981.51		8000.00	
	<b>Total (B)</b>	<b>16047.4</b>		<b>18869.1</b>		<b>15929.2</b>		<b>23021.89</b>		<b>16648.94</b>	
<b>C</b>	<b>Net Working Capital</b>	<b>3396.59</b>		<b>3645.1</b>		<b>4697.34</b>		<b>4898.89</b>		<b>6060.51</b>	
<b>D</b>	<b>Means of Finance</b>										
1	Internal Accruals and Borrowings	3396.59		3645.10		4697.34		4898.89		5010.25	
2	Net Proceeds from Right	-		-		-		-		1050.26	

	Issue for working capital									
	<b>Total (D)</b>	<b>3396.59</b>		<b>3645.10</b>		<b>4697.34</b>		<b>4898.89</b>		<b>6060.51</b>

(Amount in Lakhs)

Particulars	2020-21 (Audited)	2021-22 (Audited)	2022-23 (Audited)	2023-24 (Projected)
Total Requirement of Working Capital.....(a)	3396.59	3645.10	4697.34	6060.51
Total Means of Finance.....(b)	3396.59	3645.10	4697.34	6060.51
<b>Difference (a) – (b)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Particulars	2020-21 (Audited)	2021-22 (Audited)	2022-23 (Audited)	2023-24 (Projected)
<b>Net Working Capital Required</b>	<b>3396.59</b>	<b>3645.10</b>	<b>4697.34</b>	<b>6060.51</b>
<b>Means of Finance</b>				
Internal Accruals and Borrowings	3396.59	3645.10	4697.34	5010.25
Net Proceeds from Right Issue for working capital	0	0	0	1050.26
<b>Total Means of Finance</b>	<b>3396.59</b>	<b>3645.10</b>	<b>4697.34</b>	<b>6060.51</b>

#### Assumptions for Working Capital Requirements

Sr. No.	Particulars	Assumption
1	Inventories	Our company manages inventory levels based on demand and delivery schedules. Historically, our Inventory turnover ratio has ranged from 88 to 95 days. Anticipating improvement, we aim to reduce this to the range of 89-90 days starting from Fiscal 2024. This reduction is achievable through a focused effort on optimizing inventory management to meet future requirements, aligned with average standard payment terms across our customer base.
2	Trade Receivable	Considering varying credit terms across geographies and customer types, our company has historically had trade receivables days of around 150 days. In pursuit of enhanced realization, we are working to reduce this to approximately 90 days from Fiscal 2024. This reduction is supported by fostering strong, long-standing customer relationships and improving our Receivables recovery cycle.
3	Trade Payables	In terms of Trade Payables days, historically ranging from 70 to 120 days, we anticipate a decrease to around 60 to 64 days from Fiscal 2024. This reduction aligns with our strategy to minimize reliance on more expensive open market credit.
4	Other Current Assets	Other Current Assets include advances to suppliers, balances with revenue authorities, export incentives receivables, and other recoverable loans and advances. The level of other current assets was around 15 days for Fiscal 2022 and 12 days for Fiscal 2023. We anticipate a continuation of similar trends in the future.
5	Other Current Liabilities	Other Current Liabilities encompass provisions for expenses, statutory liabilities, interest accrued, and advance payments received. Historically maintained at 5-7 days, we anticipate reducing and maintaining them in the range of around 5 days from FY 2023-24 onwards, aligning with our historical range.

#### General Corporate Purpose

We intend to deploy Rs. 385.00 from Gross Proceeds of the Rights Issue towards General Corporate purposes. The General Corporate purposes for which our Company proposes to utilize issue proceeds include but not restricted to entering into brand building exercises and strengthening our marketing capabilities, general maintenance, partnerships, tie-ups or contingencies in

ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate purposes, which is in compliance with all applicable laws. Further, the amount for General Corporate purposes, as mentioned in this Letter of Offer, shall not exceed 25% of the amount raised by our Company through this Issue.

### Issue Expenses

The total expenses of the Issue are estimated to be approximately 385.00\*. 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, marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Expenses (Rs. 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	8.00	0.00	53.33
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	3.00	Nil	20.00
Advertising, Printing and Distribution	1.00	0.00	6.67
Other expenses (including miscellaneous expenses and stamp duty)	3.00	0.00	20.00
<b>Total</b>	<b>15.00</b>	<b>0.01</b>	<b>100.00</b>

\* Subject to finalization of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards 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,  
Globe Textiles (India) Limited  
Ahmedabad

Dear Sir,

**Subject: Statement of possible tax benefits (“the statement”) available to Globe Textiles (India) Limited (“the Company”) and its shareholders**

**Reference: Rights Offer of Equity Shares by Globe Textiles (India) Limited**

We hereby confirm that the enclosed Annexure 1 and 2 (together "the Annexures"), prepared by Globe Textiles (India) 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 2023, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, the Central Goods and Services Tax Act, 2017 and the Integrated Goods and Services Tax Act, 2017, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25 ('the 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 fulfill.

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.

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.

The Content of the enclosed Annexures is 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.

No assurance is given that the revenue authorities/Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

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.

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 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, Shah Dhandharia & Co LLP**

**Chartered Accountants**

**Firm Registration No: 118707W/W100724**

**Sd/-**

**Karan Amlani**

**Partner**

**Membership No.: 193557**

**UDIN 24193557BKAENW5410**

**Date: 24/01/2024**

**Place: Ahmedabad**

## 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 TAX1 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 benefits under any other law.

**For, Shah Dhandharia & Co LLP**

**Chartered Accountants**

Firm Registration No: 118707W/W100724

Sd/-

**Karan Amlani**

**Partner**

**Membership No.: 193557**

**UDIN 24193557BKAENW5410**

**Date:** 24/01/2024

**Place:** Ahmedabad



## 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 c 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 Goods and Services Tax Act.

**B. Special Tax Benefits to the Shareholder**

The Shareholders of the Company are not entitled to any special tax benefits under the Goods and Services 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 benefits 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 Letter of Offer/Offer Documents.

**For, Shah Dhandharia & Co LLP**

**Chartered Accountants**

Firm Registration No: 118707W/W100724

Sd/-

**Karan Amlani**

**Partner**

**Membership No.: 193557**

**UDIN 24193557BKAENW5410**

**Date:** 24/01/2024

**Place:** Ahmedabad

**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:**

After growing 3.1 percent last year, the global economy is set to slow substantially in 2023, to 2.1 percent, amid continued monetary policy tightening to rein in high inflation, before a tepid recovery in 2024, to 2.4 percent. Tight global financial conditions and subdued external demand are expected to weigh on growth across emerging market and developing economies (EMDEs). Projections for many countries have been revised down over the forecast horizon, with upgrades primarily due to stronger than expected data at the beginning of 2023 more than offset by downgrades thereafter. Inflation has been persistent but is projected to decline gradually as demand weakens and commodity prices moderate, provided longer-term inflation expectations remain anchored.

Global growth could be weaker than anticipated in the event of more widespread banking sector stress, or if more persistent inflation pressures prompt tighter-than-expected monetary policy. Weak growth prospects and heightened risks in the near term compound a long-term slowdown in potential growth, which has been exacerbated by the overlapping shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of global financial conditions. This difficult context highlights a multitude of policy challenges. Recent bank failures call for a renewed focus on global financial regulatory reform. Global cooperation is also necessary to accelerate the clean energy transition, mitigate climate change, and provide debt relief for the rising number of countries experiencing debt distress. At the national level, it is imperative to implement credible policies to contain inflation and ensure macroeconomic and financial stability, as well as undertake reforms to set the foundations for a robust, sustainable, and inclusive development path.

**Regional prospects**

Growth is projected to diverge across EMDE regions this year and next. It is expected to pick up in 2023 in East Asia and Pacific (EAP) and Europe and Central Asia (ECA), as China's reopening spurs a recovery and as growth prospects in several large economies improve. In contrast, growth is forecast to moderate in all other regions, particularly in Latin America and the Caribbean (LAC) and the Middle East and North Africa (MNA). Headwinds from weak external demand, tight global financial conditions, and high inflation will drag on activity this year, especially in LAC, South Asia (SAR), and Sub-Saharan Africa (SSA). The lingering impact of Russia's invasion of Ukraine will continue to weigh on growth across regions, particularly in ECA. Next year, growth is projected to moderate in EAP and SAR but to pick up elsewhere as domestic headwinds ease and external demand strengthens. Downside risks to the outlook for all regions include possible further global financial stress and more persistent domestic inflation than projected in the baseline. Geopolitical tensions, conflict and social unrest, and natural disasters stemming from climate change also present downside risks, to varying degrees.

The materialization of such risks could further weaken potential growth, leading to a prolonged period of slower growth in all EMDE regions.

**Financial Spillovers of Rising U.S. Interest Rates**

The rapid rise in interest rates in the United States poses a significant challenge to EMDEs. As the Federal Reserve has pivoted toward a more hawkish stance to rein in inflation, a substantial part of the sharp increases in U.S. interest rates since early 2022 has been driven by shocks that capture changes in perceptions of the Fed's reaction function. These reaction shocks are associated with especially adverse financial market effects in EMDEs, including a higher likelihood of experiencing a financial crisis. Their effects also appear to be more pronounced in EMDEs with greater economic

vulnerabilities. These findings suggest that major central banks can alleviate adverse spillovers through proper communication that clarifies their reaction functions. They also highlight that EMDEs need to adjust macroeconomic and financial policies to mitigate the negative impact of rising global and U.S. interest rates.

## **Global outlook**

The global economy remains in a precarious state amid the protracted effects of the overlapping negative shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation. The resilience that global economic activity exhibited earlier this year is expected to fade. Growth in several major economies was stronger than envisaged at the beginning of the year, with faster-than-expected economic reopening in China and resilient consumption in the United States. Nonetheless, for 2023 as a whole, global activity is projected to slow, with a pronounced deceleration in advanced economies and a sizable pickup in China (figure A). Inflation pressures persist, and the drag on growth from the on-going monetary tightening to restore price stability is expected to peak in 2023 in many major economies. Recent banking sector stress will further tighten credit conditions. This will result in a substantial growth deceleration in the second half of this year. This slowdown will compound a period of already subdued growth—over the first half of the 2020s (2020-2024), growth in EMDEs is expected to average just 3.4 percent, one of the weakest half-decades of the past 30 years (figure B). This slowdown reflects both cyclical dynamics and the current trend of declining global potential output growth (figure C).

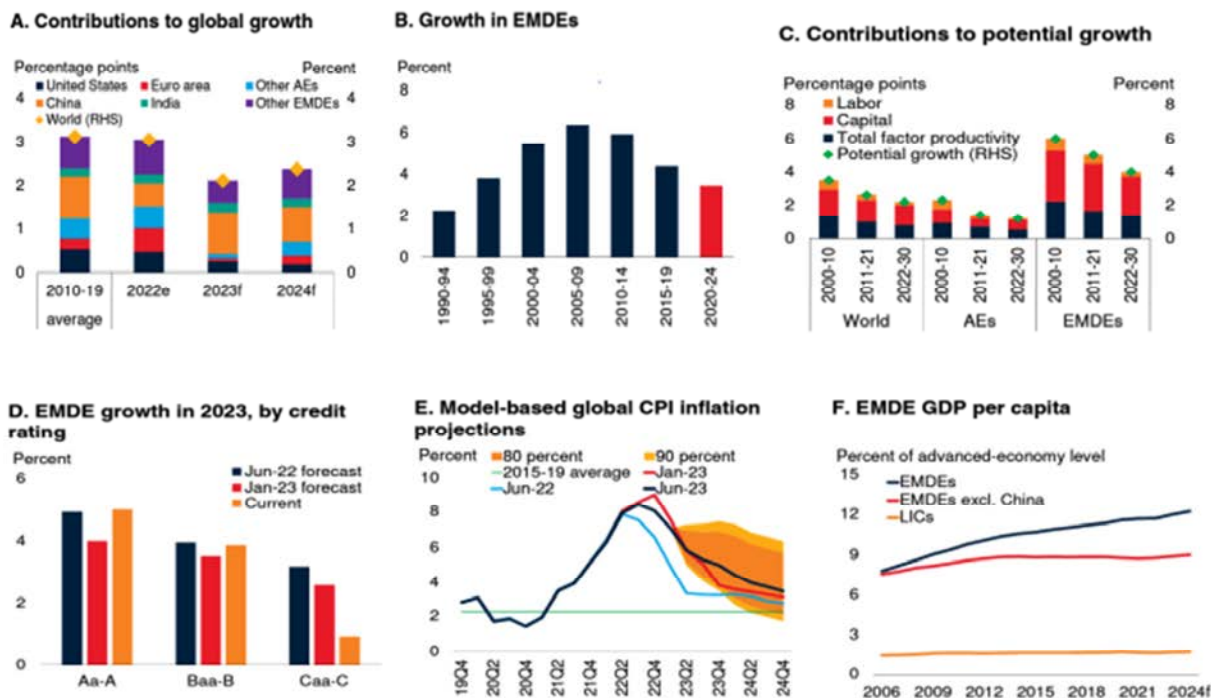
Global financial conditions have tightened as a result of policy rate hikes and, to a lesser extent, recent bouts of financial instability. Many banks experienced substantial unrealized losses due to the sharp rise in policy interest rates. Concerns about the viability of balance sheets of some banks led to depositor flight and market volatility in the United States and Europe earlier in the year, which were stemmed by a swift and extensive policy response. Financial markets remain highly sensitive to evolving expectations about the future path of interest rates of major central banks. Spillovers from banking turmoil in advanced economies to EMDEs have so far been limited. However, countries with more pronounced macroeconomic policy vulnerabilities, as reflected by lower credit ratings, have experienced slower growth and greater financial stress, including large currency depreciations and a sharp widening of sovereign spreads. Projections for 2023 growth in these economies have fallen by more than half over the past year (figure D).

Inflation pressures persist. Although global headline inflation has been decelerating as a result of base effects, abating supply chain pressures, and falling commodity prices, core inflation in many countries remains elevated, and inflation is above target in almost all inflation-targeting economies. Inflation is expected to continue to be above its pre-pandemic level beyond 2024 (figure E). That said, inflation expectations in most inflation targeting countries have so far not undergone a major shift and appear to remain anchored.

In all, global growth is forecast to slow from 3.1 percent in 2022 to 2.1 percent in 2023, before edging up to 2.4 percent in 2024. Relative to the January projections, this is 0.4 percentage point stronger in 2023 and 0.3 percentage point weaker in 2024. Greater-than-expected resilience of major economies at the end of 2022 and early in 2023 led to the overall upgrade to growth in 2023. Growth in advanced economies is set to decelerate substantially for 2023 as a whole, to 0.7 percent, and to remain feeble in 2024, due to monetary tightening, less favorable credit conditions, softening labor markets, and still-high energy prices. In EMDEs, aggregate growth is projected to edge up to 4 percent in 2023, almost entirely due to a rebound in China following the removal of strict pandemic-related mobility restrictions. Excluding China, growth in EMDEs is set to slow substantially to 2.9 percent this year. This projection is predicated on the assumption of a protracted period of tight global monetary policy, fiscal consolidation in most EMDEs, and weak external demand. The slowdown is expected to be even more severe for EMDEs with elevated fiscal vulnerabilities and external financing needs. Persistent weak growth means that, excluding China, EMDEs are expected to continue making next to no progress at closing the differential in per capita incomes relative to advanced economies (figure F). By 2024, economic activity in EMDEs will still be about 5 percent below levels projected on the eve of the pandemic.

The global economy is projected to slow substantially this year, with a pronounced deceleration in advanced economies. The first half of the 2020s is expected to be one of the weakest half-decades of the past 30 years for emerging market and developing economies (EMDEs), as a result of both cyclical dynamics and slowing potential growth. EMDEs with lower credit ratings are set to experience a particularly sharp slowdown this year. Inflation remains elevated in many countries

and is envisaged to remain above pre-pandemic levels beyond 2024. Excluding China, EMDEs are expected to make next to no progress at closing the gap in per capita incomes with advanced economies over the forecast horizon.

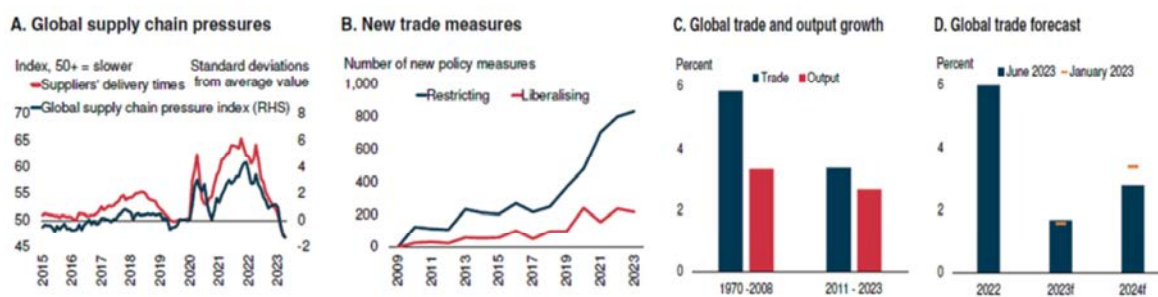


### Global risks and policy challenges

An intensification of advanced-economy banking stress could result in a sharp slowdown in global growth in 2024, or even a global recession if it had major spillovers to emerging market and developing economies (EMDEs). A more hawkish U.S. monetary policy reaction to inflation could also further raise borrowing costs in EMDEs, especially in those with underlying vulnerabilities. There is an increasing need for debt relief for low-income countries amid a greater diversity of lenders. Substantial investments are needed to achieve resilient and low-carbon growth. Rising debt servicing costs are increasing the risk of debt distress. Reversing the decline in potential growth requires decisive structural reforms.

### Global trade Supply chain

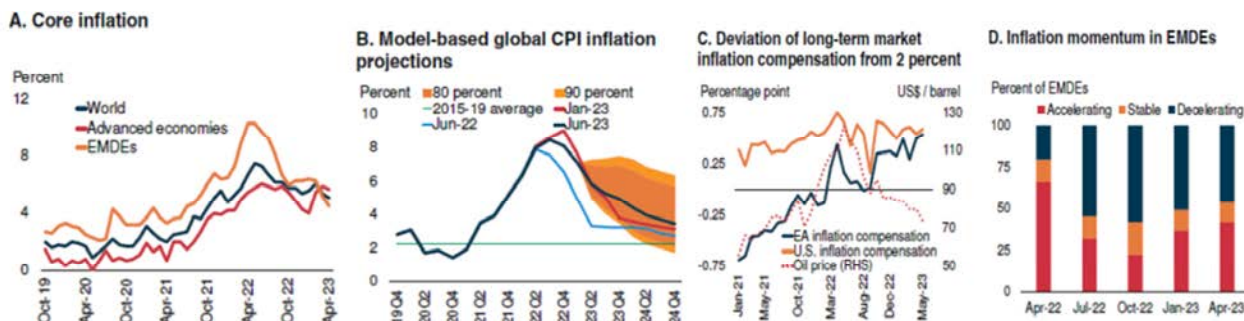
pressures and supplier delivery times have dropped back to pre-pandemic levels as goods demand has weakened and global shipping conditions have improved. A rising number of new trade measures have been protectionist. The ongoing shift in global consumption toward less trade-intensive goods will likely continue to lower the growth rate of trade relative to output. This shift and subdued demand are expected to dampen global trade growth substantially this year.



### Global inflation and financial developments

Global core inflation remains elevated. Projections suggest inflation will continue to be above its pre-pandemic level beyond 2024. Market-based measures of long-term inflation compensation in advanced economies remain above 2 percent, despite a decline in oil prices. In many emerging market and developing economies (EMDEs), inflation is either accelerating or has stabilized at high levels. One-year-ahead EMDE inflation expectations have declined only slightly. Longer-term projections point to a faster decline in inflation in countries with inflation targets.

Prior to the advanced-economy bank failures in March, the U.S. yield curve registered its deepest inversion in four decades. During the banking stress, short-term government bond yields and bank stocks fell sharply. Despite these events, and much tightened bank lending standards, advanced economy credit spreads remain contained. As borrowing costs have risen globally, currency depreciation and credit spread widening in emerging market and developing economies have been disproportionately concentrated in the countries with the weakest credit ratings.



(Source: <https://openknowledge.worldbank.org/server/api/core/bitstreams/6e892b75-2594-4901-a036-46d0de1e753/content>)

## Indian ECONOMY

In general, global economic shocks in the past were severe but spaced out in time. This changed in the third decade of this millennium. At least three shocks have hit the global economy since 2020. It all started with the pandemic-induced contraction of the global output, followed by the Russian-Ukraine conflict leading to a worldwide surge in inflation. Then, the central banks across economies led by the Federal Reserve responded with synchronised policy rate hikes to curb inflation.

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed.

Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others. The world's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Vaccinations have facilitated the return of migrant workers to cities to work in construction sites as the rebound in consumption spilled over into the housing market. This is evident in the housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY23 from 42 months last year.

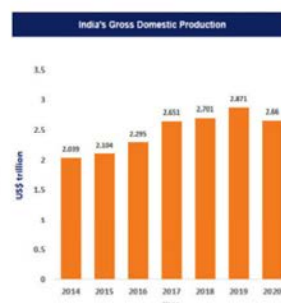
The Capital Expenditure (Capex) of the central government, which increased by 63.4 per cent in the first eight months of FY23, was another growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022. On current trend, it appears that the full year's capital expenditure budget will be met. A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the Corporates and the consequent increase in credit financing it has been able to generate. India's economic growth in FY23 has been principally led by private consumption and capital formation. It has helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Still, private capex soon needs to take up the leadership role to put job creation on a fast track. Recovery of MSMEs is proceeding apace, as is evident in the amounts of GST they pay, while the ECGLS is easing their debt servicing concerns.

Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD in FY24. However, a downside risk to the Current Account Balance stems from a swift recovery driven mainly by domestic demand and, to a lesser extent, by exports. Growth is expected to be brisk in FY24 as a vigorous credit disbursement, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors.

Table I.1: Global economic challenges led to a downward revision in growth forecast across countries

	Growth Projections (per cent)		Change from WEO Update (July 2022) (per cent)	
	2022	2023	2022	2023
World	3.2	2.7	0	-0.2
Advanced Economies	2.4	1.1	-0.1	-0.3
United States	1.6	1	-0.7	0
Euro Area	3.1	0.5	0.5	-0.7
UK	3.6	0.3	0.4	-0.2
Japan	1.7	1.6	0	-0.1
Emerging Market Economies	3.7	3.7	0.1	-0.2
China	3.2	4.4	-0.1	-0.2
India*	6.8	6.1	-0.6	0

Source: IMF  
Note: \*Projection for India is for its fiscal year (Apr-Mar), while for the other economies, it is from Jan-Dec.



(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf>)

## Market Size

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

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

## Recent Developments

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

As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million. The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022. In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at ₹ 147,686 crore (US\$ 17.92 billion). In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity



sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022. According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022. In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at ₹ 58,762 crore (US\$7.13billion).

## Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.

In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).

The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at ₹ 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).

In August 2022, a Special Food Processing Fund of ₹ 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.

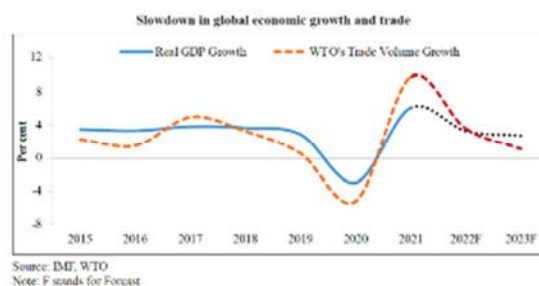
In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate- Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of ₹ 5,963 crore(US\$ 747.64 million).

In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.

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

## Growth Outlook: 2023-24

India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. The current growth trajectory will be supported by multiple structural changes that have been implemented over the past few years. The private sector – financial and non-financial – was repairing balance sheets, which led to a slowdown in capital formation in the previous decade. The financial system stress experienced in the second decade of the millennium, evidenced by rising nonperforming assets, low credit growth and declining growth rates of capital formation, caused by excessive lending witnessed in the first decade-plus, is now behind us. Aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible. More importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially. Budgeted capital expenditure rose 2.7X in the last seven years, from FY16 to FY23, re-



invigorating the Capex cycle. Structural reforms such as the introduction of the Goods and Services Tax and the Insolvency and Bankruptcy Code enhanced the efficiency and transparency of the economy and ensured financial discipline and better compliance. Growth Magnets in this Decade (2023-2030)

After a long period of balance sheet repair in the financial and corporate sector, the financial cycle is poised to turn upward. As the health and economic shocks of the pandemic and the spike in commodity prices in 2022 wear off, the Indian economy is thus well placed to grow at its potential in the coming decade, similar to the growth experience of the economy after 2003. This is the primary reason for expecting India's growth outlook to be better than it was in the pre-pandemic years. The sound and healthy financial system developed over the last few years will ensure efficient credit provisioning, contributing to higher growth in the coming years through higher investments and consumption. Thanks to India's digital revolution and formalisation, banks have far more information about their customer's credit risks than before, thus being able to make credit and pricing decisions better than before.

(Source: <https://www.indiabudget.gov.in/economicsurvey/>)

## **Road Ahead**

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

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

## **Textile - Industry Scenario**

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

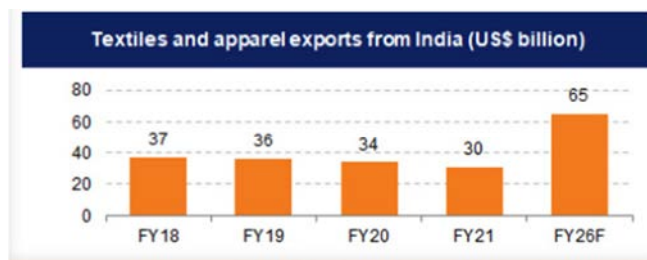
The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.



In order to attract private equity and employee more people, the government introduced various schemes such as the Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS) and Mega Integrated Textile Region and Apparel (MITRA) Park scheme.

The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4.6% share of the global trade in textiles and apparel. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel.

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



The Indian Medical Textiles market for drapes and gowns is around US\$ 9.71 million in 2022 and is expected to grow at 15% to reach US\$ 22.45 million by 2027. The Indian composites market is expected to reach an estimated value of US\$ 1.9 billion by 2026 with a CAGR of 16.3% from 2021 to 2026 and the Indian consumption of composite materials will touch 7,68,200 tonnes in 2027. India is the world's largest producer of cotton. Estimated production stood at 343.4 lakh bales

during the cotton season 2022-23. India's demand for domestic consumption of cotton is estimated to be 5.29 million metric tonnes in 2022-23. Domestic consumption for the 2021-22 cotton season was estimated to be 338 lakh bales. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. In FY23, exports of readymade garments (RMG) including accessories stood at US\$ 16.2 billion. It is expected to surpass US\$ 30 billion by 2027, with an 4.6-4.9% share globally. In 2022-23, the production of fibre in India 2.15 million tonnes. While for yarn, the production stood at 5,185 kgs during the same period. Natural fibres are regarded as the of the Indian textile industry, which is expected to grow from US\$ 138 US\$ 195 billion by 2025. India's textile and apparel exports (including handicrafts) stood at US\$ 36.68 billion in 2022-23. During April-November (2022-23), the total exports of textiles stood at US\$ 23.1 India's textile and apparel exports to the US, its single largest market, 27% of the total export value in FY22. Exports of readymade including cotton accessories stood at US\$ 6.19 billion in FY22. for 247 technical textile items stood at Rs. 5,946 crore (US\$ 715.48 between April-June (2023-24). India's textiles industry has around 4.5 employed workers including 35.22 lakh handloom workers across the country.



estimated stood at million backbone billion to billion. stood at garments Exports million) crore

### Export Trend

India is the fifth largest exporter of textiles and apparel products in the world with a massive raw material and manufacturing base. During 2022-23, the share of textile and apparel in India's total exports was 8.0% while India's share of the global trade in textiles and apparel stood at 5%. Despite unprecedented logistics issues, India registered the highest-ever exports at US\$ 35.58 billion in textiles and apparel (T&A) including handicrafts in FY23. Textile products worth a total of US\$ 1.66 billion were exported in July 2023 as compared to US\$ 1.69 billion in July 2022. Apparel exports were US\$ 1.38 billion in July 2022 and US\$ 1.14 billion in July 2023. In FY23 exports of ready-made garments (RMG) stood at US\$ 16.19 billion showing a growth of 1.1% over 2021-22.

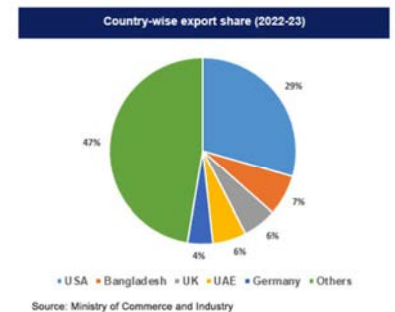
Based on product category, exports during 2022-23 witnessed a decline of -28.45% in cotton textiles followed by a decline of -11.86% in man-made textiles, 1.10% growth in ready-made garments (RMG) and -19.13% decline in handicrafts. Exports of Cotton Fabrics and Madeups stood at US\$ 2.75 billion during April-August 2023.

The Narendra Modi government is targeting US\$ 250 billion in textiles production and exports of US\$ 100 billion by 2030. This roadmap for achieving this production and export target was discussed by Mr. Piyush Goyal, Union Minister for Textiles, Consumer Affairs, Food and Public Distribution and Commerce and Industry, at the Chintan Shivir organized by the Ministry of Textiles.

#### TOP EXPORT DESTINATIONS

India's textile and apparel products, including handlooms and handicrafts, are exported to more than 100 countries across the globe. India's key export destinations for textiles and apparel products include countries namely the USA, Bangladesh, UK, UAE, Germany, and among others. The USA is the largest importer among all, importing about one-fourth of the total exports from India.

During 2022-23, the USA was the top export destination for the textile and apparel industry, accounting for a 29% share of overall exports which has grown from a 24% share witnessed in 2019-20. India and UAE signed a Free Trade Agreement (FTA) that went into effect on May 1, 2022, and the country was also in the process of negotiating FTAs with the EU, Australia, UK, Canada, Israel, and other countries/regions which is likely to boost exports of Indian textile and apparels in future by providing a competitive edge over other exporting countries. Furthermore, India's consolidated foreign direct investment (FDI) policy circular 2020 provides 100% FDI in single-brand product retail trading and up to 51% FDI in multi-brand retail trading, subject to certain conditions. This continues to attract leading international retailers to source their garment and home textiles requirements from India and drives interest from new export destinations.



#### Government Initiatives

As the textile industry is crucial for India's growth, the government of India has implemented several schemes for the growth of production and ease of trade. The Amended Technology Upgradation Fund Scheme (ATUFS) and the Advance Authorization (AA) schemes are focused on strengthening and increasing the production of textile and apparel products in the country.

Over the last few years, the Government of India has launched various other initiatives to promote the textile and apparel industry such as production linked incentive (PLI) scheme for technical textiles, setting up of seven PM Mega Integrated Textile Region and Apparel (PM MITRA) parks in greenfield/brownfield sites and implementing Textile Cluster Development Scheme (TCDS) from 2021-22 to 2025-26. The government has also approved the continuation of the Scheme for Rebate of State and Central Taxes and Levies on the Export of Garments and Made-ups (RoSCTL scheme) up to March 2024 to boost the export competitiveness of Indian apparel and made-ups. The Government will continue the RoSCTL scheme until it gets merged with the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme. For this purpose, the Government made an ad-hoc allocation of funds of Rs. 73.98 billion (US\$ 900 million) in 2020-21 for the issuance of duty credit scrips under the RoSCTL Scheme. Further, the government has removed the anti-dumping duty (ADD) on purified terephthalic acid (PTA), viscose staple fibre (VSF), and acrylic to promote exports in the man-made fibre (MMF) sector.

(Source: <https://www.ibef.org/exports/apparel-industry-india>)

#### OUR BUSINESS

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

All financial information included herein is based on our “Financial information of the Company” included on page 99 of this letter of offer.

Our Company was originally incorporated on October 04, 1995 as “Swaroop Financial Services Private Limited” vide Registration no. 027673/1995-1996 (CIN:U99999GJ1995PTC0027673) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Later, the name of the Company was changed to “Globe Textile (India) Private Limited” vide Shareholder’s Resolution passed at the Extra Ordinary General Meeting of the Company held on March 31, 2006 and a fresh Certificate of Incorporation dated May 23, 2006 issued by the Registrar of Companies, Gujarat, Ahmedabad pursuant to change in name of our Company. Further, Our Company vide Shareholders Resolution passed at the Extra Ordinary General Meeting held on June 24, 2011 and a fresh Certificate of Incorporation dated July 17, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, the name of our Company was changed to “Globe Textiles (India) Private Limited”. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Globe Textiles (India) Private Limited” to “Globe Textiles (India) Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on March 4, 2017 and a fresh certificate of incorporation dated March 22, 2017 issued by the Registrar of Companies, Gujarat, Ahmedabad

Globe Textiles (India) Limited was established in the year 1995 and engaged in manufacturing of Garments, cotton printed fabrics, home textiles and fancy fabrics. Our Company’s manufacturing activities are undertaken at three different units situated at:-

- Unit I : Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad – 380008, Gujarat, India
- Unit II : Shed No. 13 to 18, Shree Shakti Estate and Warehouses, Saijpur-Gopalpur, Piplej-Pirana Road, Piplej, Ahmedabad – 382405, Gujarat, India
- Unit III : Shed No. 19, 22 to 24, Shree Shakti Estate and Warehouses, Saijpur-Gopalpur, Piplej-Pirana Road, Piplej, Ahmedabad – 382405, Gujarat, India
- Unit IV : Shed No. 20, Shree Shakti Estate and Warehouses, Saijpur-Gopalpur, Piplej-Pirana Road, Piplej, Ahmedabad – 382405, Gujarat, India
- Unit V : Shed No. 2 to 11, Shree Shakti Estate and Warehouses, Saijpur-Gopalpur, Piplej-Pirana Road, Piplej, Ahmedabad – 382405, Gujarat, India
- Unit VI : Shed No. 2, Ground Floor to Third Floor, Sharnam Estate-3, Opp. Anupam Cinema, Khokhra, Ahmedabad – 380 050, Gujarat, India

Our Company caters both domestic as well as international markets. Our Company has also been recognized by Government of India as a “One Star Export House”. Also we have, over the years, received many accolades such as our manufacturing units are an OKO-TEX certified textiles units for manufacturing of fabrics and home textiles. Our company majorly focuses in high quality of fabrics and garments across globe utilizing best technology, delivering quality textiles at the most competitive prices and maintaining long term association with our clients.

Our Company was founded by Mr. Suryakant Hiralal Parikh along with Mr. Vijaybhai Shah, Mr. Dilipbhai Adesara and Mr. Dilipbhai Pandya in the year 1995 and presently promoted by Mr. Bhavik Suryakant Parikh and Mr. Bhavin Suryakant Parikh who have experience of about two decades in textiles business. The vast experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters and senior management team and their experience of over decades in the textiles and textiles products. Further, our on-going manufacturing units are equipped with all equipment and facilities for manufacturing of fabrics along with all the other allied equipments. Our Company is also engaged in trading of yarns, denims and Non denims fabrics, Shirting fabrics and Jeans. Also we perform job work for many clients. Our Company based on its experience and its standards, conforms to major specifications and customer requirements. We firmly believe in benchmark product quality, customer centric approach, people focus, ethical business practices and good corporate citizenship. We have been developing a marketing strategy for our products. Our Company’s proficiency lies in understanding the prevailing trends in all the products which we market in addition to the buying preferences of our

consumers and accordingly manufacture quality fabrics to assure them of product quality, comfort and fit uniformity. Further, our experience also lies in identifying the gaps and foraying into the untapped market of garment segments with distinct products. Further our Company has appointed Business and Commission Agents for Middle East/ Gulf Countries to increase the presence in foreign countries.

Currently, we derive almost 100% of our revenue which are either manufacturers, wholesalers or traders. Our category wise revenue for fiscal 2021, 2022 and 2023 were as follows:-

(Rs. in Lakhs)				
Source of Revenue	Fiscal 2023	% of Revenue	Fiscal 2022	% of Revenue
Domestic Sale	31641.35	79.22	28428.67	74.14
Export Sale	6722.9	16.83	9367.73	24.43
Job Work	1125.95	2.82	23.02	0.06
Export Incentive	451.89	1.13	522.83	1.36
<b>Total</b>	<b>39942.09</b>	<b>100.00</b>	<b>38342.25</b>	<b>100.00</b>

### Competitive Strengths

Our principal competitive strengths are:

#### **We have a key customer base with reputed international Customers**

Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth. Our commitments to quality and customer service practices have been strong contributing factors to our robust customer relations. Over the years, we have steadily developed a robust base of international customers for our products in south-east Asian and gulf countries. Even though we do not have any long-term supply agreements with them, we have continually received repeat business from many of our international customers. This indicates their level of confidence in our ability to understand latest trends and ensure timely delivery of quality products.

#### **Management and Key managerial Expertise**

Our Directors and Key managerial persons are engaged in the Textiles business, have a proven background and rich experience of more than 20 years in the Textile industry. Also, our Company is managed by a team of experienced personnel. The team comprises of personnel having operational and business development experience. We believe that our management team's experience and their understanding of the textile industry 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 in our business, including significant competition, the global economic crisis and fluctuations in fuel prices.

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

Our Company has taken various steps in order to ensure adherence to timely fulfillment and also to achieve greater cost efficiency as timely fulfillment of the orders is a prerequisite in our industry. These steps include identifying quality yarn, 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 also has enjoyed good relations with our suppliers and as a consequence have 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 endeavors 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.

#### **Scalable Business Model**

Our business model is order driven and focus on 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 development 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.

### **Our Strategies**

The primary elements of our growth strategies are set forth below.

#### **Expand our product portfolio to cater to consumer preferences**

We aim to leverage our existing suite of products, knowhow and manufacturing capabilities to produce niche and higher-margin products. We believe that, given our manufacturing capacity and expertise, we would be able to produce and sell such fabrics at competitive prices compared to the international export markets. In the long run, we may also intend to enter into new product lines and target new consumer segments. We believe that such initiatives will optimally diversify our business and products portfolio and enable access to new markets.

#### **Creativity**

Our Company has always been driven by the quest to develop something new and constantly strives to develop better products which appeal to our constantly growing customer base. Also our company provides mix and match 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.

#### **Expand our distribution network and export sales**

Our historically developed distribution in domestic and international 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. For our international export business, we intend to upscale our export operations to sell higher volumes of our products.

#### **Invest in infrastructure and technology**

Our Company believes in making investments for continuously achieving higher levels of excellence in its products and implement dynamic and diverse specifications of our customers. We have invested significantly in equipping our manufacturing facilities with the latest and specialized infrastructure and modern technology. We want to continue to work towards the upgradation and modernization of our infrastructure and technology.

### **Our Products**

We have developed variety of Products as below:-

#### **JEANS & Shorts (MEN & WOMEN)**

Our hot selling brands AFFORD, INDIGIRL and INDIGEN, INDIGEN X, ORIJEAN have made a mark in domestic markets with massive demands coming in from all over India through our online partners like Snapdeal, Flipkart, Voonik, Myntra. Jeans manufactured by the Company come with a precautionary warning which says- "They are so comfortable there is a risk you won't want to get out of them."



#### **Printed Fabric (Polyester Print Fabric, Chadri Voile, Cotton Prints, Cotton Dyed)**

This bestseller Globe Chadri Voile is highly specialized product available in 44" and 58" in both; voile and lacquer prints. Our highquality Chadri Voiles will attract and enamors one and all what with flowers, leaves, petals and other complex object patterns on display, very fashionably. Exclusively Printed Cotton Fabrics which can be used for a variety of applications are supplied. These printed



cottons are both in printed and solids where the fabric is recognized for their attributes like color contrasts, latest designs, smooth looks and vivacious patterns.

### **Jackets**

The Company is also manufacturing denim jackets. It gives comfort in winter season with stylish look. Globe is developing various wearable under different brands.



### **Face Mask**

Globe Textiles is also manufacturing face mask from denim & printed fabric as an essential for protection against the dust and virus. Fabric face masks tend to be more comfortable and breathable. They are also reusable and washable. A denim face mask is also reusable and fits properly on the face. The Company is also having face mask with hair band for girls in their products portfolio.

### **Denim and Non-Denim Fabrics**

Globe Textiles (India) Limited is manufacturing Denim as well as Non-Denim fabrics. The Company is constantly striving to develop new products in order to meet the expectations of the customer with the technology development. The Company is equipped with the top of the line and finest machinery and having manufacturing complying national and international standards.

### **Home Textiles (Bed Sheet, Comforters, Curtains, Table Linens)**

Make your beds a cosy and comfortable with these soft and welcoming comforters. These 100% Cotton comforters shall guarantee the users a sound and comfortable sleep every day. Available in a variety of colours and prints these comforters not only bring you comfort while sleeping but also add the decorative aspect to your bedroom. Globe Textiles (India) Limited offers the assortment of bed sets and sheets, bed spreads, flat in cotton and microfiber fitted sheets alongside other furnishings and accessories like curtains, table linen/runner, napkins and tray cloth. We also supply cotton knitted jersey fabric bed sheets, fitted sheets, pillow covers and duvet covers and also export it to Germany, Israel and other countries. Turn your house into a 'Home Sweet Home' by decorating it with Globe home textiles and furnishings. Transform the experience of eating at home into one a luxurious one. Whether it is to add a bit of colour or to create a calm and rich ambiance the crisp table linens of GTIL will enhance your house in every possible way.

### **Key Industry Regulations and Policies**

The following description is a summary of certain sector-specific statutes, regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to us in order to carry out our business and operations in India. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies that are available in the public domain. The description set out below is only intended to provide general information to the investors and may not be exhaustive and is neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled "Government and other Approvals" on page 161.

### **Approvals**

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled "Government and other Approvals" beginning on page number 161 of this Letter of Offer.

### **Applicable Laws and Regulations**

### **Business / Trade Related Laws / Regulations**



### **The Bureau of Indian Standards Act, 2016**

The Bureau of Indian Standards Act, 2016 (“BIS Act”) provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter-alia, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

### **Bureau of Indian Standards Rules, 2018 (the “Bureau of Indian Standards Rules”).**

The Bureau of India Standards Rules, 2018, as amended, have been notified, in supersession of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

### **Industries (Development and Regulation) Act, 1951, as amended (“IDR Act”)**

The IDR Act has been liberalized under the New Industrial Policy dated July 24, 1991 and all industrial undertakings are exempt from licensing except for certain industries, including, among others, all types of electronic aerospace, defence equipment, ships and other vessels drawn by power. The IDR Act is administered by the Ministry of Commerce and Industry, Government of India, through the Department for Promotion of Industry and Internal Trade (DPIIT). The main objectives of the IDR Act are to empower the Government to take necessary steps for the development of industries, to regulate the pattern and direction of industrial development, and to control the activities, performance and results of industrial undertakings in the public interest. The DPITT is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

### **Legal Metrology Act, 2009 (the “Metrology Act”)**

The "Legal Metrology Act, 2009" (referred to as the "Metrology Act"), as amended, was established to set and enforce standards for weights and measures. It aims to regulate trade and commerce involving goods that are sold or distributed by weight, measure, or number. The Metrology Act governs transactions and contracts related to goods or specific classes of goods, ensuring that they adhere to the weight, measurement, or number standards prescribed by the Act. The exact details regarding the denominations of weight for goods involved in transactions are determined by individual state rules and regulations.

### **The Textiles Committee Act, 1963**

The Textile Committee Act, 1963 (the “Act”) was enacted in 1963 to provide for the establishment of a committee for ensuring the quality of textiles and textile machinery and for matters connected therewith. The Act prescribes for establishment of a textile committee (hereinafter referred to as the “Textile Committee”) with the general objective of ensuring a standard quality of textiles both for internal marketing and export purposes as well as standardisation of the type of textile machinery used for manufacture. In addition to the general objection as mentioned above, the function of the Textile Committee inter alia include, to undertake, assist and encourage, scientific, technological and economic research in textile industry and textile machinery, promotion of export of textile and textile machinery, establishing or adopting or recognising standard specifications for textile and packing materials used in the packing of textiles or textile machinery for purpose of export and internal consumption and affix suitable marks on such standardized varieties of textiles and packing materials, specify the type of quality control or inspection which will be applied to textile or textile machinery, provide for training in the techniques of quality control to be applied to textiles or textile machinery, provide for inspection and examination of textiles, textile machinery and packing material used in the packing of textile and textile machinery, establishing laboratories and text houses for testing of textiles and data collection and such other matters related to the textile industry.

### **Textile Development and Regulation Order, 2001 (“Textile Order”)**

The Central Government in exercise of the powers conferred upon it under section 3 of the Essential Commodities Act, 1955 and in supersession of the Textile (Development and Regulation) Order, 1993 brought in force the Textile Order. Under the Textile Order every manufacturer of textiles, textile machinery and every person dealing with textiles is required to maintain books of accounts, data and other records relating to the business in the matter of production, processing, import, export, supply, distribution, sale, consumption etc. and shall furnish such returns or information in respect to the business as and when required by the Textile Commissioner. The Textile Order confers upon the Textile Commissioner powers to issue directions by notification with the prior approval of Central Government to any manufacturer regarding the specification or class of textiles which shall not be manufactured, dyes and chemicals which shall not be used in the manufacture of textile, maximum and minimum quantity of textiles which shall be manufactured, maximum ex-factory or wholesale or retail price at which textiles shall be sold, markings to be made on textiles by manufacturers and the time and manner of such markings and direct the officer in charge of any laboratory to carry out or cause to be carried out such tests relating to any textiles as may be specified by the Textile Commissioner.

### **Amended Technology Up-Gradation Fund Scheme (ATUFS)**

Ministry of Textiles, Government of India has notified ATUFS vide resolution dated January 13, 2016. In accordance to the said regulation the guidelines of ATUFS i.e., financial and operational parameters and implementation of ATUFS during its implementation period from January 13, 2016 to March 31, 2022 has been provided under the revised resolution dated August 2, 2018. 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 acknowledgement 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. 300 million.

### **National Textile Policy, 2000**

The National Textile Policy, 2000 (“NTP”) aims at facilitating the growth of the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The objective is sought to be achieved by liberalising controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. In furtherance of its objectives, the strategic thrust of the NTP is on technological upgradation, enhancement of productivity, quality consciousness, product diversification, maximising employment opportunities, and so on. The NTP also envisages certain sector specific initiatives, including the sector of raw materials, spinning, weaving, power loom, handloom, jute and textile. The Policy also lays down certain delivery mechanisms for the implementation of the policy and to enable the Indian textile industry to realise its full potential and achieve global excellence.

#### **Salient objective of NTP is as follows –**

Equip the textile industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market; Develop a strong multi-fibre base with thrust on product up-gradation 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; Make Information Technology (IT), an integral part of the entire value chain of textile; Production and thereby facilitate the textile industry to achieve international standards in terms of quality, design and marketing; and Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non-Governmental Organizations in the fulfilment of these objectives, vide the NTP, the Government has conveyed its commitment towards providing a conducive environment to enable the Indian textile industry to realise its full potential, achieve global excellence, and fulfil its obligation to different sections of society.



### **The Micro, Small and Medium Enterprises Development Act, 2006 (the “Act”)**

It consists of six chapters which are further divided into 32 sections. This Act also provides for the formation of the National Board of Micro, Small and Medium Enterprises. The head office of the Board is in Delhi. Section 3 of the Act defines the members of the board. The Central Government, by notification, can constitute an advisory committee. Registration of micro, small and medium enterprises is replaced with the filling of the memorandum. To avail the benefit of the Act, it is always recommended to register the enterprises as a micro, small or medium enterprise. The concept is important for the promotion of industrial development in rural areas, use of traditional or inherited skills, use of local resources and mobilization of resources and exportability of products. It provides maximum opportunities for employment outside the agriculture sector as well.

### **Consumer Protection Act, 1986 (“CPA”)**

The CPA came into effect on December 24, 1986. It aims to reinforce the interests and rights of consumers by laying down a mechanism for speedy consumer grievance redressal. A consumer, his legal heir or representative, as defined under the CPA including a person who avails of any services for a consideration which has been paid in full or part or promised to be paid, any voluntary consumer association registered under any applicable law or numerous consumers having the same interest, or the Central or State Government may lodge a complaint before the district forum or any other appropriate forum under CPA, inter alia, for: Defective or spurious goods or services ; Unfair or restrictive trade practices; Deficiency in services hired or availed; Manufacture or provision of hazardous goods/services; and Misleading or false warranties or guarantee or representations by the manufacturer/service provider. In addition to awarding compensations and/or corrective orders, the forums and commissions under CPA are empowered to impose imprisonment of not less than a month, but not exceeding three years, or a fine of not less than two thousand rupees, but not more than ten thousand rupees, or both.

### **Environment Related Laws**

#### **Environment Protection Act, 1986 and Environment (Protection) Rules, 1986**

The Environmental Protection Act, 1986 is an “umbrella”; legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with “environment” defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

#### **The Environmental Impact Assessment Notification, 2006 (the “Notification”)**

As per the Notification, any construction of new projects or activities or the expansion or modernisation of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central Government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central Government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme ‘Housing for All by 2022’ and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant byelaws of the concerned State authorities.

#### **The Water (Prevention and Control of pollution) Act, 1974 (the “Water Act”)**

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

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

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

### **The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)**

The 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.

### **The Municipal Solid Wastes (Management and Handling) Rules, 2000 (“Waste Management Rules, 2000”) as superseded by Solid Waste Management Rules, 2016 (“Waste Management Rules, 2016”)**

The Waste Management Rules, 2000 applied to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid wastes. Any municipal solid waste generated in a city or a town, was required to be managed and handled in accordance with the compliance criteria and the procedure laid down in Schedule II of the Waste Management Rules, 2000. The Waste Management Rules, 2000 make the persons or establishments generating municipal solid wastes responsible for ensuring delivery of wastes in accordance with the collection and segregation system as notified by the municipal authority. The Waste Management Rules, 2000 have been superseded by the Waste Management Rules, 2016 which stipulate various duties of waste generators which, inter alia, include segregation and storage of waste generated by them in the manner prescribed in the Waste Management Rules, 2016; separate storage of construction and demolition waste and payment of user fee for solid waste management as specified in the bye-laws of the local bodies.

### **Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“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 PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste.

### **The Public Liability Insurance Act, 1991**

The Public Liability Insurance Act places responsibility on those who own or control hazardous substances for any damage resulting from accidents involving such substances. A roster of hazardous substances falling under the scope of this law is outlined through government notifications. The owner or handler of these substances is additionally mandated to acquire an insurance policy that covers liability in connection with the act. Rules established under the Public Liability Act dictate that the employer is obligated to contribute to the environmental relief fund, an amount equivalent to the premium paid for insurance policies. This contribution is payable to the insurer.

## **General Corporate Compliance**

### **The Companies Act, 2013**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors, the procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the 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 a Company. The provisions relating to remuneration of the Directors payable by the companies is under Part II of the said schedule.

### **The Registration Act, 1908**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **Shops and commercial establishments legislations**

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

### **Employment and Labour Laws**

#### **The Code on Wages, 2019 (the “Code”)**

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees’ and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

#### **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 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 paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

### **The Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

### **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favorable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

### **Industrial Relations Code, 2020**

The Government of India enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Currently the laws are as follows:

#### **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labor court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while proceeding is pending. The labor courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. The ID Act further provides for direct access for the workers to labour courts or tribunals in case of individual disputes and provided for the constitution of grievance settlement machineries in any establishment having twenty or more workers.

#### **Trade Unions Act, 1926**

Provisions of 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 Employment (Standing Orders) Act, 1946 (the “Standing Orders”)**

The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments so as to minimize industrial conflicts. The Standing Orders play a key role in defining the terms and conditions of employment within an industrial employment. The highlights of the Standing Orders such as classification of workmen, manner of intimation to workers about work and wage related details. Attendance and conditions for leaves, conditions of termination of employment and means of redress for workmen in different.

### **Code on Social Security, 2020**

The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The laws that the code shall subsume, are currently as follows –

### **Employee's Compensation Act, 1923**

The Employees' Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employees' Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees' Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.

### **Employee's State Insurance Act, 1948**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **Employee's Provident Fund and Miscellaneous Provisions Act, 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.

### **Maternity Benefit Act, 1961**

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

### **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' Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 6C 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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013 (the "Act")**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")**

The "CLPR Act" seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

### **Fire Prevention Laws and the National Building Code of India, 2016**

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance. The National Building Code (NBC) promulgates legal provisions governing the safety of individuals within specific categories of structures, encompassing public, residential, industrial buildings and others as stated within categories provided therein. These provisions encompass a wide array of critical aspects, including but not limited to fire safety, disaster management and precautions, as well as accessibility.

Certain other laws and regulations that may be applicable to our Company in India include the following:

Public Liability Insurance Act, 1991 ("PLI Act")

Industrial (Development and Regulation) Act, 1951 ("IDRA")

Industrial Disputes Act, 1947 ("ID Act")

Payment of Bonus Act, 1965 ("POB Act")

Payment of Gratuity Act, 1972.

Child Labour (Prohibition and Regulation) Act, 1986

Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979  
Equal Remuneration Act, 1976 (“ER Act”)  
Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)  
Workmen Compensation Act, 1923 (“WCA”)  
Maternity Benefit Act, 1961 (“Maternity Act”)  
Industrial Employment Standing Orders Act, 1946  
The Employees Compensation Act, 1923 (“EC Act”) and the rules framed thereunder  
Minimum Wages Act, 1948 (“MWA”) and the rules framed thereunder

## **Anti-Trust Laws**

### **Competition Act, 2002 (the “Act”)**

The Act is to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The Act deals with prohibition of anti- competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

## **Tax Related Legislations**

### **Income-tax Act, 1961 (“Income Tax Act”)**

The Income Tax Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e., bringing into India from a place outside India or at the time of export of goods i.e., taken out of India to a place outside India. Any Company desirous of importing or exporting any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

### **Central Goods and Services Tax Act, 2017 (the “GST Act”)**

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state is levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

### **Prevention of Black Marketing and Maintenance of Supplies Act, 1980:**

Prevention of Black Marketing and Maintenance of Supplies Act, 1980. It is an Act for detention in certain cases or the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith.

## **INTELLECTUAL PROPERTY LEGISLATIONS:**

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

### **Trademarks Act, 1999 (“TM Act”)**

The Trademarks 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.

### **General Laws**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Negotiable Instrument Act 1881, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, Consumer Protection Act 2019, Indian Contract Act, 1872, Transfer of Property Act, 1882, Information Technology Act, 2000 etc.

### **Other Laws**

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

The "Foreign Exchange Management Act, 1999" (commonly known as "FEMA") was enacted by the Government of India to replace the earlier "Foreign Exchange Regulation Act, 1973" ("FERA"). FEMA was introduced with the primary objective of consolidating and amending the laws related to foreign exchange. Its overarching aim was to facilitate external trade and payments while promoting the organized development and maintenance of the foreign exchange market in India. FEMA brought about significant changes by removing many restrictions on the trade of goods and services to and from India. However, it retained a provision enabling the Central Government to impose reasonable restrictions in the public interest when necessary.

### **Foreign Direct Investment**

Regarding "Foreign Direct Investment" (FDI), the Indian government has periodically communicated its policies through press notes and releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (referred to as "DIPP"), issued the consolidated "FDI Policy Circular of 2020" ("FDI Policy 2020"), which came into effect on October 15, 2020. This comprehensive policy consolidated and superseded all previous press notes, press releases, and clarifications on FDI policy issued by the DIPP. The government intends to update this consolidated circular on FDI policy annually, with FDI Policy 2020 remaining valid until the issuance of an updated circular.

The "Reserve Bank of India" (RBI) also plays a crucial role in governing FDI in India through its "Master Directions on Foreign Investment in India," which are periodically updated. These directions specify that an Indian company may issue new shares to individuals residing outside India, subject to certain eligibility criteria and pricing guidelines outlined in the Master Directions. Companies conducting such share issuances are obligated to meet reporting requirements, including disclosing considerations for the issuance of shares, and filing relevant forms such as Form FC-GPR.

### **Foreign Trade (Development and Regulation) Act, 1992 (the “Act”)**

The "Foreign Trade (Development and Regulation) Act, 1992" (referred to as the "Act") governs and regulates India's foreign trade policies concerning the exchange of goods and services. It was enacted in 1992 as a replacement for the "Import and Exports (Control) Act, 1947." The primary objective of this Act is to facilitate imports into and increase exports from India. It aims to achieve these goals by providing a legal framework for the development and regulation of foreign trade. Notably, through the "Foreign Trade (Development and Regulation) Amendment Act of 2010," the Act expanded its scope to include the import and export of "services" in its regulatory ambit.

### **Export Promotion Capital Goods Scheme (“EPCG Scheme”)**

The objective of the EPCG Scheme under the Foreign Trade Policy 2015-20 is to promote the import of capital goods for producing quality goods and services in India, thereby enhancing India's manufacturing competitiveness. The EPCG



Scheme allows import of capital goods for pre-production, production and post production at zero customs duty, subject to an export obligation equivalent to six times of duties, taxes and charges saved on capital goods, to be fulfilled in six years reckoned from date of issue of authorization. The EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s)/ vendor(s), merchant exporters tied to supporting manufacturer(s) and service providers.

**Remission of Duties and Taxes on Export Products Scheme (“RODTEP Scheme”)**






Prior to January 1, 2021, the Merchandise Exports from India Scheme (“MEIS”) was in force pursuant to which, the Government provided duty benefits depending on the product and the country of export. However, the Ministry of Finance, GoI has discontinued MEIS with effect from January 1, 2021 and announced RODTEP Scheme for exporters. RODTEP scheme will ensure that the exporters receive the refunds on the embedded taxes and duties that were previously non-recoverable. RODTEP scheme allows the exporter for the payment of import duty or sell such duty credit scrips in the open market to other importers.

**Other regulations:**

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

**Intellectual Property Rights:**

As on the date of this Draft Letter of Offer, Our Company has registered its logo with the Trade Mark Registry, Mumbai. Beside this, our company confirms that it has not made any other applications nor has it registered any other type of intellectual property including trademarks/copyrights/patents etc.

Sr. No	Trademark Name	Trademark Logo	Class of Trademark	Status
01	Globe Textiles With Device Globe & Arrow		25	Registered
02	Globe Textiles With Device Globe & Arrow		24	Registered
03	Globe Textiles With Device Globe & Arrow		35	Registered
04	Globe Eshop		25	Registered
05	Globe Eshop		24	Registered

Sr. No.	Trademark Name	Trademark Logo	Class of Trademark	Status
06	Globe Eshop		35	Registered
07	Indigen X		25	Registered
08	<a href="#">Indie Girl With Device Of Girl</a>		25	Registered

Sr. No.	Domain Name & ID	Creation Date	Expiry Date
01	<a href="https://globetextiles.net/">https://globetextiles.net/</a>	10/05/2011	10/05/2024

#### Other Registration

As on the date of this draft letter of offer, Our Company has registered with following government organization:

Sr. No.	Authority Name	Registration No	Expiry Date
01	Directorate General of Foreign Trade (Certificate of Recognition)	AHDSTATAPPLY00000816A M24	31/03/2028
02	Directorate General of Foreign Trade (Import Export Code)	AHDIECPAMEND00021166A M24	Not Applicable
03	Apparel Export Promotion Council (Registration Cum Membership Certificate)	Not Applicable	31/03/2024
04	Synthetic & Rayon Textiles Export Promotion Council (Registration Cum Membership Certificate)	Not Applicable	31/03/2024
05	Federation of India Export Organisation (Registration Cum Membership Certificate)	Not Applicable	31/03/2024
06	Export Promotion Council for EOUs and SEZ Units (Registration Cum Membership Certificate)	Not Applicable	31/03/2024
07	Cotton Textiles Export Promotion Council (Registration Cum Membership Certificate)	Not Applicable	31/03/2024

#### HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated on October 04, 1995 as “Swaroop Financial Services Private Limited” vide Registration no. 027673/1995-1996 (CIN:U99999GJ1995PTC0027673) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Later, the name of the Company was changed to “Globe Textile (India) Private Limited” vide Shareholder’s Resolution passed at the Extra Ordinary General Meeting of the Company held on March 31, 2006 and a fresh Certificate of Incorporation dated May 23, 2006 issued by the Registrar of Companies, Gujarat, Ahmedabad pursuant to change in name of our Company. Further, Our Company vide Shareholders Resolution passed at the Extra Ordinary General Meeting held on June 24, 2011 and a fresh Certificate of Incorporation dated July 17, 2011 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, the name of our Company was changed to “Globe Textiles (India) Private Limited”. Later, our Company was converted into Public Limited Company and consequently name of company was changed from “Globe Textiles (India) Private Limited” to “Globe Textiles (India)

Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on March 4, 2017 and a fresh certificate of incorporation dated March 22, 2017 issued by the Registrar of Companies, Gujarat, Ahmedabad.

### Main Objects of the Company

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business of gining, pressing of cotton and to act as processors, sizers, manufacturers, twisters, crimpers, of polyester, polypropylene ,cotton, denim textiles, cloth, synthetic cloth, readymade garments, terry towel ,hosiery woolen, silk, artficial silk, rayon, nylon , terine, stechlon , P.O.Y. man made synthetic fibres, staplefibres, wool and fibrous, materials, cotton, grey and the business of manufacturing, ginning texturising, weaving, bleaching, printing and selling cloth of all types, nature and description including all traditions dress, filaments furnishing fabrics, tapestry, linen and fabrics of all types, whether, knitted or looped and of buying, selling and/or dealing in silk, strechlon, cotton, rayon, nylon, khadi silk and generally to carry on the business of dyers, dealers in flax, hemp, artificial silk, synthetic cotton, staple fibres, wool and cloth merchants, cleaners, combers, dyers and to transact all and any preparing proceses and to give any special treatment to any of the above referred materials at any stage of production such as texturising testing, crimping on own materials or belonging to others and / or to get the same done through others on job work.
2. To carry the business of manufacturing spinning, weaving bleaching, finishing, dyeing, processing cotton, mercerising printing, sizing, importing, exporting, twistring, texturising and/or otherwise dealing in yarns of all types made from silk, art silk rayon, nylon, cotton, man-made synthetic fibres, P.O.Y. stapla fibres and all types of suitable materials.

### Changes in the Memorandum of Association of Company since incorporation

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	The initial authorised share capital increased from Rs. 1,00,000 (One Lakh) divided into 10,000 (Ten Thousand) equity Shares of Rs. 10 each and increase to Rs. 1,00,00,000 (One Crore) divided into 10,00,000 (Ten Lakhs) Equity shares of Rs. 10 each .	July 29, 2005	EGM
2.	The Object of the Company was changed and inserted replacing the existing objects	March 23, 2006	EGM
3.	The Name of Company was Changed from Swaroop Financial Services Private Limited to Globe Textile (India) Private Limited and a fresh Certificate of incorporation dated May 23, 2006 was issued by Registrar of Companies, Gujarat, Ahmedabad	March 31, 2006	EGM
4.	Increase in authorised share capital from Rs. 1,00,00,000 (One Crore) divided into 10,00,000 (Ten Lakhs) equity Shares of Rs. 10 each to Rs. 1,50,00,000 (One Crore Fifty Lakhs) divided into 15,00,000 (Fifteen Lakhs) Equity shares of Rs. 10 each .	July 06, 2010	EGM
5.	The Name of Company was Changed from Globe Textile (India) Private Limited to Globe Textiles (India) Private Limited and a fresh Certificate of incorporation dated July 17th, 2011 was issued by Registrar of Companies, Gujarat, Ahmedabad	June 24, 2011	EGM
6.	Increase in authorized share capital from Rs. 1,50,00,000 (One Crore Fifty Lakhs) divided into 15,00,000 (Fifteen Lakhs) Equity Shares to Rs. 2,00,00,000 (Two Crore) divided into 20,00,000 (Twenty Lakhs) Equity shares of Rs. 10 each.	March 12, 2012	EGM
7.	Increase in authorized share capital from Rs. 2,00,00,000 (Two Crore) divided into 20,00,000 (Twenty Lakhs) Equity Shares to Rs. 3,00,00,000 (Three Crore) divided into 30,00,000 (Thirty Lakhs) equity shares of Rs. 10 each.	March 25, 2014	EGM

Sr. No.	Particulars	Date of Meeting	Type of Meeting
8.	Increase in authorized share capital from Rs. 3,00,00,000 (Three Crore) divided into 30,00,000 (Thirty Lakhs) equity shares to Rs. 5,00,00,000 (Five Crore) divided into 50,00,000 (Fifty Lakhs) equity shares of Rs.10 each.	June 04, 2015	EGM
9.	Increase in authorized share capital from Rs. 5,00,00,000 (Five Crore) divided into 50,00,000 (Fifty Lakhs) equity shares to Rs. 11,00,00,000 (Eleven Crore) divided into 1,10,00,000 (One Crore Ten Lakhs) equity shares of Rs.10 each.	March 4, 2017	EGM
10.	Conversion of our Company from Private Limited to Public Limited Company. Consequently name of the Company has been changed from Globe Textiles (India) Private Limited to Globe Textiles (India) Limited and a fresh Certificate of Incorporation dated March 22, 2017 bearing CIN U65910GJ1995PLC027673 was issued by Registrar of Companies, Gujarat, Ahmedabad.	March 4, 2017	EGM
11.	To Adopt New Set Of Memorandum Of Association containing regulation in conformity with the Companies Act, 2013	March 4, 2017	EGM
12.	Approval for Sub-Division of Shares	July 27, 2021	EGM
13.	Issuance of Bonus Share in the ratio of 2:1	July 27, 2021	EGM
14.	Increase in authorised share capital from Rs. 30,50,00,000 (Thirty Crore Fifty Lakhs) divided into 15,25,00, 000 (Fifteen Crore Twenty Five Lakhs Thousand) Equity Shares of Rs. 2/- each to Rs. 48,00,00,000 (Forty Eight Crore) divided into 24,00,00,000 (Twenty Four Crores) Equity shares of Rs. 2/- each.	March 07, 2023	EGM

#### Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-ordinary General Meeting of the Company dated March 04, 2017.

#### Address of Registered Office:

The Registered Office of the Company is situated at Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad – 380008, Gujarat, India Changes in Registered Office of the Company since incorporation

The Registered Office of our Company has shifted many times for the sake of better operational efficiency and administrative convenience. Except as mentioned below, there has not been any change in our Registered Office since incorporation till date of this Letter of offer:

From	To	Date of Change	Reason for Change
64,Vrundavan Shopping Centre, Pankornaka, Ahmedabad 380001 Gujarat, India	1/13, Aditi Apt., B/H Orient Club, Nr. Gujarat College, Ellisbridge, Ahmedabad 380006 Gujarat, India	October 03, 1997	For the better administrative convenience
1/13, Aditi Apt., B/H Orient Club, Nr. Gujarat College, Ellisbridge, Ahmedabad 380006 Gujarat, India	1449/1, Mithakhali Gam, Opp Mithakhali Bus Stop, Ellisbridge, Ahmedabad 380006 Gujarat, India	May 5, 2002	For the better operational efficiency
1449/1, Mithakhali Gam, Opp Mithakhali Bus Stop, Ellisbridge, Ahmedabad 380006	4th Floor, 402 Sheel 4, Mayur Colony, Near Mithakhali Six Road, Navrangpura, Ahmedabad	January 1, 2003	For the better operational efficiency

From	To	Date of Change	Reason for Change
Gujarat, India	380006 Gujarat, India		
4th Floor, 402 Sheel 4, Mayur Colony, Near Mithakhali Six Road, Navrangpura, Ahmedabad 380006 Gujarat, India	1449/1, 1st Floor, Opp Mithakali Bus Stop, Navrangpura Ahmedabad 380009 Gujarat, India	March 23, 2006	For the better operational efficiency
1449/1, 1st Floor, Opp Mithakali Bus Stop, Navrangpura Ahmedabad 380009 Gujarat, India	Plot No. 38 to 41, Ahmedabad Apparel Park, SEZ, GIDC Industrial Area, Khokhra, Ahmedabad – 380008, Gujarat, India	March 22, 2017	For the better operational efficiency
Plot No. 38 to 41, Ahmedabad Apparel Park, SEZ, GIDC Industrial Area, Khokhra, Ahmedabad – 380008, Gujarat, India	Plot No. 38 to 41, Ahmedabad Apparel Park, SEZ, GIDC Industrial Area, Khokhra, Ahmedabad – 380008, Gujarat, India	April 13, 2017	For rectification in present address

#### Changes in the Paid-Up Capital:

Date of Allotment /Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
On Incorporation	400	10	10	Cash	Subscription to MOA	400	4,000	Nil
Till March 31, 2006	9600	10	10	Cash	Further Allotment	10,000	1,00,000	Nil
June 05, 2006	990000	10	10	Cash	Further Allotment	10,00,000	1,00,00,000	Nil
July 20, 2010	80000	10	50	Cash	Further Allotment	10,80,000	1,08,00,000	32,00,000
March 28, 2011	100000	10	50	Cash	Further Allotment	11,80,000	1,18,00,000	72,00,000
June 27, 2011	70000	10	50	Cash	Further Allotment	12,50,000	1,25,00,000	1,00,00,000
March 30, 2012	250000	10	60	Cash	Conversion of Loan into Equity	15,00,000	1,50,00,000	2,25,00,000
February 20, 2013	375000	10	60	Cash	Conversion of Loan into Equity	18,75,000	1,87,50,000	4,12,50,000
March 31, 2014	361000	10	60	Cash	Conversion of Loan into Equity	22,36,000	2,23,60,000	5,93,00,000

Date of Allotment /Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
December 15, 2014	666700	10	60	Cash	Right Issue	29,02,700	2,90,27,000	9,26,35,000
March 27, 2017	5805400	10	-	-	Bonus Issue in the ratio of 2:1	87,08,100	8,70,81,000	3,45,81,000
June 23, 2017	1368000	10	51	Cash	IPO	1,00,76,100	10,07,61,000	9,06,69,000
August 04, 2021	5,03,80,500	02	-	-	Sub division	5,03,80,500	10,07,61,000	-
August 04, 2021	10,07,61,000	02	-	-	Bonus Issue in the ratio of 2:1	15,11,41,500	30,22,83,000	-

#### **Holding / Subsidiary / Associate Company and Joint Venture of the Company**

Our Company does not have any Holding / Subsidiary / Associate Company and Joint Venture.

#### **Raising of Capital in form of Equity**

For details of increase in Equity Share Capital of our company please refer section “Capital Structure” on page 86 of this Letter of Offer.

#### **Injunction and restraining order**

Our Company is not under any injunction or restraining order, as on date of filing of this Letter of Offer.

#### **Managerial Competence**

For managerial Competence please refer to the section “Our management” on Page 91 of this Letter of Offer.

#### **Acquisitions / Amalgamations / Mergers / Revaluation of assets**

No Acquisition/ Amalgamations / Mergers / Revaluation of assets took place

#### **Total number of Shareholders of Our Company**

As on the date of filing of this Letter of Offer, the total number of Equity shareholders are 56,623. For more details, on the shareholding of the Members, please see the section titled “Capital Structure” at page 86 of this Letter of Offer.

#### **Shareholders’ Agreements**

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

#### **Other Agreements**

Our Company has entered into Share subscription and shareholders agreement with M/s. Globe Denwash Private Limited for Investment in Equity shares of the Globe Denwash Private Limited

#### **Strategic Partners**

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

## OUR MANAGEMENT

### Board of Directors

The Articles of Association require our Board to have at least 3 (Three) Directors and not more than 15 (Fifteen) Directors. Our Board presently comprises of 6 (Six) Directors, which consists of 2 (Two) Executive Directors, 1 (One) Non-Executive Non-Independent Director and 4 (Four) Non-Executive and Independent Directors. Mr. Bhavik Suryakant Parikh is our Chairman and he is a Executive Director.

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

Name of the Director	Designation	DIN	Address
Mr. Bhavik Suryakant Parikh	Chairman and Managing Director	00038223	A-1002, Chandanbala Flats, Opp. Suvidha Shopping Centre, Paldi Ahmedabad - 380007
Mr. Nilaybhai Jagdishbhai Vora	Executive Director	02158990	B - 303, Sagar Samrat Apartment, Near Jalaram Mandir, Ellisbridge, Ahmedabad 380006, Gujarat, India
Mrs. Purvi Bhavin Parikh	Non-Executive Non Independent Director	07732523	A-1002, Chandanbala Flats, Opp. Suvidha Shopping Center, Paldi, Ahmedabad 380007, Gujarat, India
Mr. Yogesh Kanhiyalal Vaidya	Non-Executive Independent Director	00468732	45/B, Yogeshwar Nagar Society Near Bhattha, Vasna Road, Paldi Ahmedabad-380007, Gujarat, India
Mr. Bharatbhai Samjibhai Patel	Non-Executive Independent Director	00243783	7, Shishir Bunglows, 3/4 Wood Fiwld, Row-House, Opp.Rajpath Club, S.G.Road, Ahmedabad-380054, Gujarat, India
Mr. Rajatkumar Dineshbhai Patel	Non-Executive Independent Director	09124295	Baharano Madh Upera Mahesana, 384170, Gujarat, India

### Family Relationship between our Directors


None of the Directors are related to each other.

### Promoter and Promoter Group


Mr. Bhavik Suryakant Parikh and Mr. Bhavin Suryakant Parikh are the Promoters of our Company.

As on the date of this Letter of offer, Mr. Bhavik Suryakant Parikh and Mr. Bhavin Suryakant Parikh holds 29,311,335 Equity Shares which in aggregate, constitutes 19.39% of the issued and paid-up Equity Share capital of our Company. Our Promoter and Promoter Group hold 6,18,25,635 Equity Shares which constitutes 40.91% of the issued and paid-up Equity Share capital of our Company.

### Details of our Promoters:-

	<b>Mr. Bhavik Suryakant Parikh, Chairman &amp; Managing Director</b>	
	Qualification	Bachelor of Science
	Age	47 Years
	Address	A-1002, Chandanbala Complex, Paldi, Ahmedabad – 380007
	Experience	23 years
	Occupation	Business
	Permanent Account Number	AICPP1187H

	Passport Number	P-USA-505884306
	Name of Bank & Bank Account Details	Bank of Baroda Ashram Road, Ahmedabad Account No. - 08490100018539
	Driving License Number	GJ01 19970038124
	Aadhar Card Number	477108129920
	No. of Equity Shares held in GTIL (% of Shareholding)	31,87,035 Equity Shares of Rs.2 each; 2.11%
	DIN	00038223
	Other Interest	<b>Directorships in other Companies:</b> Globe Denwash Private Limited Aaditya Biztrade Center Private Limited Mallinath Buildcon Private Limited <b>LLP:</b> Globe Texfeb LLP Jenus Buildcon LLP <b>Partnership Firms:-</b> Parikh Investment <b>Family Fund</b> Khushi Investment Aaditya Raj Developers <b>Proprietorship:-</b> Nil <b>HUF:-</b> Bhavik Suryakant Parikh HUF (Karta) Suryakant Hiralal Parikh HUF (Member) <b>Trust:-</b> Parikh Hathisingh Ujamchand Sarvajanik Sakhawait

	<b>Mr. Bhavin Suryakant Parikh</b>	
	Qualification	Bachelor of Business
	Age	41 Years
	Address	A-1002, Chandanbala Flats, Opp. Suvidha Shopping Center, Paldi, Ahmedabad-380007
	Experience	20 years
	Occupation	Business
	Permanent Account Number	AETPP8908B
	Passport Number	0000N5335030
	Name of Bank & Bank Account Details	Bank of Baroda Ashram Road, Ahmedabad Account No. - 08490100018542
	Driving License Number	GJ01/033424/03
	Aadhar Card Number	760236128125
	No. of Equity Shares held in GTIL (% of Shareholding)	2,61,24,300 Equity Shares of Rs. 2 each 17.28%
	DIN	00034258



	Other Interests	<p><b>Directorships in other Companies:</b> Globe Denwash Private Limited Yessworks Spaces Private Limited GIS Foundation</p> <p><b>LLP:</b> Kunthunath Impex LLP Fundtonic Technology LLP Apple Incubation Center LLP Concept Advisory and Consultancy LLP</p> <p><b>Partnership Firms:-</b> Parikh Investment</p> <p><b>Family Fund</b> Khushi Investment</p> <p><b>Proprietorship:-</b> Nil</p> <p><b>HUF:-</b> Bhavin Suryakant Parikh – HUF (Karta) Suryakant Hiralal Parikh HUF (Member)</p> <p><b>Trust:-</b> Parikh Hathisingh                      Ujamchand Sarvajanik Sakhawait</p>
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The following are Promoters and Members of Promoter Group as on date of this Letter of Offer:

**Individual Promoters:**

1. Bhavin Suryakant Parikh
2. Bhavik Suryakant Parikh

**Individual as well Non-Individual Members of Promoter Group:**

Sr. No.	Name of Promoters and Promoter Group***	No. of Equity Shares held	% of Total share capital
1	BHAVIN SURYAKANT PARIKH	26124300	17.28
2	BHAVIK SURYAKANT PARIKH	3187035	2.11
3	BHAVIK SURYAKANT PARIKH HUF	0	0
4	BHAVIN SURYAKANT PARIKH HUF	0	0
5	ADITYA PARIKH	0	0
6	MISHIKA PARIKH	0	0
7	BINABEN PIYUSHKUMAAR BHANSHALI	0	0
8	SHRIDEVI KOTHARI	0	0
9	SHREYANSH KOTHARI	0	0
10	SHRILEKHA BENKER	0	0
11	SHREYA KOTHARI	0	0
12	KHUSHI PARIKH	0	0
13	VIVAA PARIKH	0	0
14	PRAKASH JIVANDAS MAJITHIA	0	0
15	TARA PRAKASH MAJITHIA	0	0
16	YASH MAJITHIA	0	0

Sr. No.	Name of Promoters and Promoter Group***	No. of Equity Shares held	% of Total share capital
17	SHARDABEN SURYAKANT PARIKH	2137500	1.41
18	ASHA ADANI	0	0
19	GLOBE DENWASH PRIVATE LIMITED	0	0
20	AJITNATH ARCADE PRIVATE LIMITED	0	0
21	AADI REAL ESTATE DEVELOPERS PRIVATE LIMITED	0	0
22	YESSWORKS SPACES PRIVATE LIMITED	0	0
23	SHAPE OF YOU PRIVATE LIMITED	0	0
24	FUNDTONIC SERVICE PRIVATE LIMITED	0	0
25	SCALE MASTER INCUBATION FOUNDATION	0	0
26	GIS FOUNDATION	0	0
27	SHANTINATH INFRABUILD PRIVATE LIMITED	0	0
28	AADITYA BIZTRADE CENTER PRIVATE LIMITED	0	0
29	ADITYA PROHOUSE PRIVATE LIMITED	0	0
30	PADAMSHREE GLOBE TRADELINK LIMITED	0	0
31	WINCO VALVES PRIVATE LIMITED	0	0
32	JAGDISHKUMAR MANILAL VORA	542500	0.36
33	PURVI BHAVIN PARIKH	13062150	8.64
34	NILAYBHAI JAGDISHBHAI VORA	10860000	7.19
35	SHRADDHA BHAVIK PARIKH	5912150	3.91
36	APPLE INCUBATION CENTER LLP	0	0
37	FUNDTONIC TECHNOLOGY LLP	0	0
38	GLOBE TEXFEB - LLP	0	0
39	KUNTHUNATH IMPEX LLP	0	0
40	SIDDHI TRADETECH LLP	0	0
41	PARIKH INVESTMENT	0	0
42	FAMILY FUND	0	0
43	KHUSHI INVESTMENT	0	0
44	AADITYA RAJ DEVELOPERS	0	0
45	PARIKH HATHISINGH UJAMCHAND SARVAJANIK SAKHAWAIT	0	0

#### **Payment or benefit to Promoters of our Company**

Except as disclosed herein and as stated in the section titled “Financial Statements” on page no. 99 of this Letter of Offer there has been no amount 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 Letter of Offer.

#### **Other confirmations**

No material guarantees have been given to third parties by our Promoter(s) with respect to Equity Shares of our Company.

Our Promoter(s) 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 Promoter(s) and Members of Promoter Group have not been debarred or prohibited from accessing or operating in Capital Market under any order or direction passed by SEBI or any other regulatory or Governmental authority. Our Promoter(s) 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 Market 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 Promoter(s), please refer to the section titled ‘Outstanding Litigations and Material Development’ on page no. 159 of the Letter of Offer.

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
Yogesh Kanhiyalal Vaidya	Chairman	Independent Director
Bhavik Suryakant Parikh	Member	Executive Director
Rajatkumar Dineshbhai Patel	Member	Independent Director

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairperson 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:

**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.

**Meetings of the Committee:** The Committee shall meet at least 4 (Four) times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Committee, whichever is higher but there shall be presence of at least one Independent Director at each meeting.

**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:

1. Recommendation for appointment, remuneration and terms of appointment of Internal and Statutory Auditors' of the Company;
2. Review and monitoring of the Auditors' independence and performance, an effectiveness of the Audit process;
3. Review and examination of the, the quarterly, half yearly and yearly financial statements and report of the Auditors' thereon;
4. 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;
5. Reviewing, with the management, financial statements before submission to the board for approval, with particular reference to:
6. 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;
7. Changes, if any, in accounting policies and practices and reasons for the same;
8. Major accounting entries involving estimates based on the exercise of judgment by management;
9. Significant adjustments made in the financial statements arising out of audit findings;
10. Compliance with listing and other legal requirements relating to financial statements;
11. Disclosure of any related party transactions;
12. Qualifications in the audit report;
13. Approval or any subsequent modification of transaction of the Company with the related parties;
14. Scrutiny of Inter corporate loans and investments;
15. Valuation of the undertakings or assets of the Company, wherever it is necessary;
16. 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;
17. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
18. 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;
19. 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;
20. To recommend and review the functioning of the vigil mechanism/Whistle Blower mechanism;
21. 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;
22. To obtain outside legal or other professional advice wherever required;
23. 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
Yogesh Kanhiyalal Vaidya	Chairman	Independent Director
Bharat Shamjibhai Patel	Member	Independent Director
Nilaybhai Jagdishbhai Vora	Member	Executive 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:

**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.

**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 2 (Two) members, out of which at least 1 (One) shall be an Independent Director.

**Scope and Terms of Reference: Redressal of shareholders' and investors' complaints, including and in respect of:**

1. To ensure effective and efficient system for transfer, transmission, dematerialization, re-materialization, splitting and consolidation of shares and other securities;
2. 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;
3. To monitoring the transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by the Company;
4. To issue of duplicate/split/consolidated share and other securities certificates;
5. To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers;
6. 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 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
Yogesh Kanhiyalal Vaidya	Chairman	Independent Director
Bharat Shamjibhai Patel	Member	Independent Director
Rajatkumar Dineshbhai Patel	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:

**Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the Annual General Meeting, to answer the shareholders' queries; however, it shall be up to the Chairperson to decide who shall answer the queries.

**Scope and Terms of Reference:**

1. To ensure formal and transparent procedures for the selection and appointment of new directors and succession plans;
2. To identified 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;
3. 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;
4. To recommend to the Board, the appointment and remuneration for Managing/Joint Managing/Deputy Managing/Whole-time/Executive Directors and other KMP(s) from time to time;
5. To implement supervise and administer any share or stock option scheme of the Company;
6. To formulate and implement the policies for evaluation of the performance of the Members of the Board and other KMP(s);
7. To attend to any other responsibility as may be trusted by the Board within the terms of reference.

**Details of Key Managerial Personnels (KMPs)**

Following are the Key Managerial Personnels (KMPs) of our Company as on the date of this Letter of Offer:

Sr. No.	Name of Person	Designation
1.	Bhavik Suryakant Parikh	Managing Director
2.	Bhavin Suryakant Parikh	CEO and CFO
3.	Faruk Hanifkhan Diwan	Company Secretary

**Bonus or Profit sharing plan for our Key Managerial Personnel(s) (KMPs)**

Our Company does not have any bonus or profit sharing plan for our Key Managerial Personnel(s) (KMPs).

**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 and 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 VII: FINANCIAL INFORMATION**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page Nos.</b>
1.	The Limited Review Report along with Unaudited Financial Results for the quarter ended on September 30, 2023.	100-103
2.	The Statutory Auditor's Report and the Audited Financial Statements for the period ended on March 31, 2023.	104-158

The following tables set forth financial information derived from our Audited Financial Statements for the Financial Year ended on March 31, 2023 and the Limited Review Report along with Unaudited Financial Results for the quarter ended on September 30, 2023 prepared in accordance with Regulation 33 of SEBI (LODR) Regulations, 2015.

*[The remainder of this page has been intentionally left blank]*



**Independent Auditor's Review Report on Quarterly and Yearly Unaudited Standalone Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of  
Globe Textiles (India) Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Globe Textiles (India) Limited ("the company") for the half year ended 30<sup>th</sup> September 2023 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended.
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors at their meeting held on 11<sup>th</sup> November 2023, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standards 34 "Interim Financial Reporting" (Ind AS 34), as prescribed under section 133 of the Companies Act, 2013 as amended, read with the relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review of the Statement conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
Firm Registration No. 118707W/ W100724

**Amlani Karan  
Dineshbhai**

Digitally signed by Amlani Karan Dineshbhai  
DN: cn=A, ou=Personal,  
2.5.4.20=0002023737440437030903a133dc0a000411061c,  
o=746595a0a7415, postalCode=380061, st=Gujarat,  
serialNumber=cn=Aa0F820e0a077074eac708a83e301137  
8294627c08ec7a0c08080e.com=AmlaniKaran Dineshbhai  
Date: 2023.11.11 11:20:47 +05'30'

Place : Ahmedabad  
Date : 11<sup>th</sup> November, 2023

**Karan Amlani**  
Partner  
Membership No. 193557  
UDIN: 23193557BGSKMN1547

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**Shah Dhandharia & Co. (Registration No. GUJ/AH/102555) a Partnership Firm has been converted into  
Shah Dhandharia & Co LLP (LLP Identification No. AAW-6528) with effect from 9th Day of April, 2021**



**GLOBE TEXTILES (INDIA) LIMITED**

(CIN:L65910GJ1995PLC027673)

(Regd. Office: Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad - 380008)

E-mail id: cs@globetextiles.net Phone: 079-2293 1881 to 1885 website: www.globetextiles.net

**Statement of Assets & Liabilities as at September 30, 2023**

(Rs in Lakhs)

Particulars	As at	As at
	30.09.2023	31.03.2023
	Audited	Audited
<b>I. ASSETS</b>		
<b>1 Non Current Assets</b>		
(a) Property, Plant & Equipment	2,592.04	2,698.31
(b) Intangible Assets	-	-
(c) Right-of-use assets	376.43	385.76
(d) Capital Work-in-progress	4.27	6.05
(e) Intangible assets under development	5.00	5.00
(f) Financial assets		
(i) Other Financial Assets	37.16	37.16
(g) Income Tax Asset (net)	48.57	138.89
(h) Other Non-Current Assets	18.00	18.00
<b>Total Non Current Assets</b>	<b>3,081.47</b>	<b>3,289.17</b>
<b>2 Current assets</b>		
(a) Inventories	9,433.57	8,422.94
(b) Financial assets		
(i) Trade receivables	17,117.78	10,890.68
(ii) Cash and cash equivalents	10.04	13.04
(iii) Loans	1.99	2.74
(iv) Others financial assets	158.81	153.94
(c) Other current assets	1,198.59	1,143.15
<b>Total Current Assets</b>	<b>27,920.78</b>	<b>20,626.49</b>
<b>Total Assets</b>	<b>31,002.25</b>	<b>23,915.66</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity share capital	3,022.83	3,022.83
(b) Other equity	2,707.34	2,418.18
<b>Total Equity</b>	<b>5,730.17</b>	<b>5,441.01</b>
<b>2 Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	2,057.21	2,353.09
(b) Provisions	132.42	118.43
(c) Deferred tax liabilities (net)	60.56	73.97
<b>Total Non current liabilities</b>	<b>2,250.19</b>	<b>2,545.49</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	8,926.15	8,180.49
(ii) Trade payables		
i. total outstanding dues of micro enterprises and small enterprises	10.14	14.63
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	13,740.33	6,968.02
(iii) Other financial liabilities	55.36	122.70
(b) Other current liabilities	154.38	502.84
(c) Provisions	67.08	49.79
(d) Income tax liabilities (net)	68.45	90.69
<b>Total current liabilities</b>	<b>23,021.89</b>	<b>15,929.16</b>
<b>Total Liabilities</b>	<b>25,272.08</b>	<b>18,474.65</b>
<b>Total equity and liabilities</b>	<b>31,002.25</b>	<b>23,915.66</b>

For, Globe Textiles (India) Limited



*[Signature]*

Bhavik Suryakant Parikh  
MANAGING DIRECTOR  
DIN : 00038223

DATE: 11/11/2023  
Place: Ahmedabad

## Annexure-I

GLOBE TEXTILES (INDIA) LIMITED  
(CIN:L65910GJ1995PLC027673)(Regd. Office: Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad - 380008)  
E-mail id: cs@globetextiles.net Phone: 079-2293 1881 to 1885 website: www.globetextiles.net

Unaudited Financial Results for the quarter and half year ended on September 30, 2023

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	10,594.99	12,883.68	9,983.57	23,478.67	21,457.35	39,942.09
II	Other Income	16.48	15.05	42.28	31.53	114.83	241.09
III	<b>Total Income (I+II)</b>	<b>10,611.47</b>	<b>12,898.73</b>	<b>10,025.85</b>	<b>23,510.20</b>	<b>21,572.18</b>	<b>40,183.18</b>
IV	<b>Expenses</b>						
	Cost of material consumed	7,570.70	5,840.27	6,028.27	13,410.97	11,135.13	16,595.53
	Purchase of stock in trade	3,485.77	5,577.99	2,871.24	9,063.76	8,516.76	13,451.04
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-trade	(1,874.23)	173.01	(509.57)	(1,701.22)	(1,166.41)	4,633.83
	Employee benefits expenses	547.25	479.52	600.06	1,026.77	1,140.44	2,084.86
	Finance Costs	287.11	263.25	342.14	550.36	589.69	1,156.38
	Depreciation and amortization expense	67.46	69.39	69.70	136.85	145.06	287.75
	Other Expenses	356.28	311.95	413.25	668.23	794.61	1,407.93
	<b>Total Expenses</b>	<b>10,440.34</b>	<b>12,718.38</b>	<b>9,815.09</b>	<b>23,155.72</b>	<b>21,155.28</b>	<b>39,617.32</b>
V	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>	<b>171.13</b>	<b>183.35</b>	<b>210.76</b>	<b>354.48</b>	<b>416.90</b>	<b>565.86</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	<b>Profit before extraordinary items and tax (V-VI)</b>	<b>171.13</b>	<b>183.35</b>	<b>210.76</b>	<b>354.48</b>	<b>416.90</b>	<b>565.86</b>
VIII	Extraordinary items	-	-	-	-	-	-
IX	<b>Profit before tax (VII-VIII)</b>	<b>171.13</b>	<b>183.35</b>	<b>210.76</b>	<b>354.48</b>	<b>416.90</b>	<b>565.86</b>
X	<b>Tax Expenses</b>						
	1) Current tax	42.04	45.05	45.78	87.09	105.00	139.02
	2) Deferred tax	(5.40)	(8.01)	(0.78)	(13.41)	(14.60)	(15.24)
	3) Short / (Excess) Provision of Income Tax of Previous Years	(0.08)	-	-	(0.08)	-	(8.45)
XI	<b>Profit for the year / period from continuing operations (IX-X)</b>	<b>134.57</b>	<b>146.31</b>	<b>165.76</b>	<b>280.88</b>	<b>326.50</b>	<b>450.53</b>
XII	<b>Profit from discontinuing operations</b>	-	-	-	-	-	-
XIII	Tax expenses of discontinuing operations	-	-	-	-	-	-
XIV	Profit from discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-	-
XV	<b>Profit after Tax (XI+XIV)</b>	<b>134.57</b>	<b>146.31</b>	<b>165.76</b>	<b>280.88</b>	<b>326.50</b>	<b>450.53</b>
XVI	<b>Other Comprehensive income</b>	<b>4.14</b>	<b>4.14</b>	<b>7.50</b>	<b>8.28</b>	<b>5.02</b>	<b>16.55</b>
	A) (i) Items that will not be reclassified to profit or loss	5.53	5.53	10.15	11.06	6.71	22.12
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.39)	(1.39)	(2.65)	(2.78)	(1.69)	(5.57)
	B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
XVII	<b>Total Comprehensive Income</b>	<b>138.71</b>	<b>150.45</b>	<b>173.26</b>	<b>289.16</b>	<b>331.52</b>	<b>467.08</b>
XVIII	<b>Paid up Equity Share Capital</b>	<b>3,022.83</b>	<b>3,022.83</b>	<b>3,022.83</b>	<b>3,022.83</b>	<b>3,022.83</b>	<b>3,022.83</b>
XIX	<b>Face Value per Share</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
XX	<b>Other Equity excluding Revaluation Reserve</b>	-	-	-	-	-	<b>2,418.18</b>
XXI	<b>Earning per share</b>						
	1) Basic*	0.09	0.10	0.11	0.19	0.22	0.30
	2) Diluted*	0.09	0.10	0.11	0.19	0.22	0.30

\*EPS is not annualised for the Quarterly result

## Notes to the financial results:

- The financial results for the quarter and half year ended on September 30, 2023 have been reviewed by the Audit Committee on November 11, 2023, thereafter approved and taken on record by the Board of Directors. The Statutory Auditors of the Company have conducted a "Limited Review" of the above Financial Results for the quarter and half year ended September 30, 2023.
- The Company's operating segments are established in a manner consistent with the components of the Company that is evaluated regularly by the Chief Operating Decision Maker as defined in Ind AS 108 - 'Operating Segments'. The Company is engaged primarily in the business of Textile Trading and Manufacturing and there are no separate reportable segments as per Ind AS 108.
- The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules thereunder are yet to be framed. Accordingly, the actual impact of this change will be assessed and accounted for when the notification becomes effective.
- Figures for the previous period have been regrouped, reclassified and restated wherever necessary to make them comparable with the current period's figures.

The Results are also viewable on the website of the Company on www.globetextiles.net and on the website of NSE where the Company's shares are listed i.e. at www.nseindia.com.

For, Globe Textiles (India) Limited



Bhavik Suryakant Parikh  
MANAGING DIRECTOR  
DIN : 00038223DATE: 11/11/2023  
Place: Ahmedabad

**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**  
**Statement of Cash Flow for the period ended September 30, 2023**

(Rs. in lakhs)

Particulars	For the period ended September 30, 2023	For the Year Ended March 31, 2023
<b>A Cash flow from operating activities</b>		
Profit before tax	354.48	565.86
Adjustment for		
Less : Interest income	(3.90)	(8.54)
Less : Liabilities no longer required written back	(0.40)	(143.08)
Add : Depreciation and amortization expense	136.85	287.75
Add : Finance costs	550.36	1,156.38
Less : Profit on sale of Property, Plant and Equipment	(0.45)	(4.82)
Add : Balance Write off	0.14	39.64
Less : Mark To Market (Gain)/Loss on Forward Contracts	(2.25)	26.19
Less : Unrealised foreign exchange	(10.29)	(51.42)
<b>Operating Profit before working capital changes</b>	<b>1,024.54</b>	<b>1,867.96</b>
<b>Changes in working capital:</b>		
(Increase) in Trade receivables	(6,227.24)	1,513.30
(Increase) / decrease in Other assets (current and non-current)	(55.44)	216.69
Decrease in Other financial assets (current and non-current)	(4.48)	63.56
(Increase) in Inventories	(1,010.63)	101.71
Increase / (decrease) in Trade payables	6,778.51	(636.87)
(Increase) / decrease in Other Current liabilities	(348.46)	(197.52)
(Increase) / decrease in Other financial liabilities (current and non-current)	(49.01)	(2,859.97)
Increase/ (decrease) in Provisions (current and non-current)	39.56	15.50
<b>Cash generated from / (Used in) Operations</b>	<b>147.35</b>	<b>84.36</b>
Less : Direct Taxes Paid / (Received)	(18.93)	(158.16)
<b>Net cash generated (used in) operating activities (A)</b>	<b>128.42</b>	<b>(73.80)</b>
<b>B Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipment (Including CWIP, Capital creditors)	(19.77)	(280.34)
Proceeds from sale of Property, Plant and Equipment	0.75	13.94
Bank deposits / margin money withdrawn / (placed)	-	(2.97)
Interest received	3.51	15.57
<b>Net cash (used in) investing activities (B)</b>	<b>(15.51)</b>	<b>(253.80)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from Non-Current Borrowings	7.77	1,034.00
Repayment of Non-Current Borrowings	(319.79)	(481.22)
Proceeds from Current Borrowings	745.66	935.98
Proceeds from Loans given	0.75	11.77
Finance Costs paid	(550.30)	(1,175.30)
<b>Net cash generated from financing activities (C)</b>	<b>(115.91)</b>	<b>325.23</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(3.00)</b>	<b>(2.37)</b>
Cash and cash equivalents at the beginning of the year	13.04	15.41
<b>Cash and cash equivalents at the end of the year</b>	<b>10.04</b>	<b>13.04</b>
<b>Cash and cash equivalents comprises of:</b>		
Cash on hand	9.26	10.8
Balances with banks		
In current accounts	0.78	2.24
<b>Total cash and cash equivalents</b>	<b>10.04</b>	<b>13.04</b>

For, Globe Textiles (India) Limited



*(Signature)*

**Bhavik Suryakant Parikh**  
**MANAGING DIRECTOR**  
**DIN : 00038223**

DATE: 11/11/2023  
Place: Ahmedabad



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## Independent Auditor's Report

To the Members of Globe Textiles (India) Limited

Report on the audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of **Globe Textiles (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

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

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (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 the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under 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 financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.







**Independent Auditor's Report**  
**To the Members of Globe Textiles (India) Limited (Continue)**

Sr. No.	Key Audit Matter	Auditor's Response
1.	<b>Evaluation of pending tax litigations</b>  The Company has pending litigation for demand in dispute under various tax statutes which involve significant judgment to determine the possible outcome of these disputes.	<b>Principal Audit Procedures</b> We have obtained details of tax litigations under various statutes for the year ended 31 <sup>st</sup> March 2023 from the management.  We have reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We have also reviewed the legal precedence and other rulings provided for review by the management in evaluating its position in various matters.  We have also reviewed the assumptions made by the management as at 31 <sup>st</sup> March 2023 and valued whether any change was required on account of information and updates made available during the year.

**Information other than the Ind AS Financial Statements and Auditor's Report thereon**

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

Our opinion on the 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 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 Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance



## Independent Auditor's Report To the Members of Globe Textiles (India) Limited (Continue)

- 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;







**Independent Auditor's Report  
To the Members of Globe Textiles (India) Limited (Continue)**

- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- A. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
- B. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- C. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- D. (i) The management of the company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management of the company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and





**Independent Auditor's Report  
To the Members of Globe Textiles (India) Limited (Continue)**

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

E. There were no amount of dividend declared or paid during the year by the company.

F. The Ministry of Corporate Affairs (MCA) has amended the Rule 3 of Companies (Accounts) rules, 2014 by way of notification dated 31<sup>st</sup> March, 2022. Accordingly, requirement to have accounting software with a feature of recording audit trail is extended till 1<sup>st</sup> April, 2023. Therefore, nothing is required to be reported under this para for the year under review.

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

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

Place: Ahmedabad  
Date: 26/05/2023



For, **SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
Firm Reg. No: 118707W/W100724

**Karan Amlani**

Partner

Membership No. 193557

UDIN - 23143557BGSKFS8015





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**Annexure - A to the Independent Auditor's Report**  
**RE: Globe Textiles (India) Limited**

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(Referred to in Paragraph 1 of our Report of even date)

(i) (a)(A) In our opinion and according to the information and explanation given to us and the records produced to us for our verification, the company is maintaining proper records showing full particulars, including quantitative details and situation of the Property, Plant and Equipment.

(B) In our opinion and according to the information and explanation given to us and the records produced to us for our verification, the company is maintaining proper records showing full particulars of intangible assets.

(b) In our opinion and according to the information and explanation given to us and the records produced to us for our verification, the Company has a regular programme of physical verification of its Property, Plant and Equipment's by which all Property, Plant and Equipment's are verified by the management in a phased manner over a period of three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Based on our verification, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and the records produced to us for our verification, the title deeds of all the immovable properties. (Other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the provision of paragraph 3(i)(d) of the Order are not applicable.

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

(ii) (a) According to the information and explanation given to us and the records produced to us for our verification, the inventory, other than stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the coverage and procedure of verification by management is appropriate. The discrepancies noticed on verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts.

(b) According to the information and explanation given to us and the records produced to us for our verification, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks or financial institutions on the basis of security of current assets and the quarterly returns filed by the company with such banks or financial institutions are not in agreement with the books of account, due to the company is providing the submission to the bank on the provisional books of accounts before the books of accounts were finalised.







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**Annexure - A to the Independent Auditor's Report**  
**RE: Globe Textiles (India) Limited (Continue)**

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(Referred to in Paragraph 1 of our Report of even date)

- (iii) During the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable.
- (iv) In our opinion and according to information and explanations given to us and representations made by the Management, the Company has not made investments, given any loans, or provided guarantees or securities, to the parties covered under section 185 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to investments made, loans given and guarantees provided by the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of the Company's product/ services to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- (vii) a) 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, Provident fund, Employees' State Insurance, Goods and Service Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Provident fund, Employees' State Insurance, Goods and Service Tax and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2023, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no undisputed dues of provident fund, employees' state insurance, Goods and Service tax, cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes.





**Annexure - A to the Independent Auditor's Report**  
**RE: Globe Textiles (India) Limited (Continue)**

(Referred to in Paragraph 1 of our Report of even date)

(INR In Lakhs)

Name of the Statute	Nature of the Dues	Forum Where dispute is pending	Amount*	Amount Paid Under Protest	Period to which the amount Relates
Income Tax Act	Income Tax	Appellate Authority upto Commissioner's Level	875.43	50.00	AY 2006-07, AY 2012-13 to AY 2014-15, AY 2017-18, AY 2018-19 & AY 2019-20

\* Amount as per Demand orders excluding interest and penalty wherever applicable.

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) a) According to the information and explanations given to us and based on our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable to the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, the provisions of clause 3(ix)(e) of the Order are not applicable to the Company.
- f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the provisions of clause 3(ix)(f) of the Order are not applicable to the Company.





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**Annexure - A to the Independent Auditor's Report**  
**RE: Globe Textiles (India) Limited (Continue)**

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(Referred to in Paragraph I of our Report of even date)

- (x) a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement or not issued any fully or partly convertible debenture during the year under review. Accordingly, the provisions of paragraph 3(x) (b) of the Order are not applicable.
- (xi) a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- b) No report on any matter under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly, the provisions of Clauses 3 (xii) (a) to (c) of the Order are not applicable.
- (xiii) As per the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with section 177 and 188 of Companies Act 2013, where applicable, and all the details have been disclosed in Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, We have considered the internal audit reports of the company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions, within the meaning of Section 192 of the Act, with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order are not applicable to the Company.

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Email: info@sdco.in Website: www.sdco.in

**SHAH DHANDHARIA & CO LLP**  
CHARTERED ACCOUNTANTS  
(LLPIN - AAW-6528)



**Annexure - A to the Independent Auditor's Report**  
**RE: Globe Textiles (India) Limited (Continue)**

(Referred to in Paragraph 1 of our Report of even date)

- b) According to the information and explanations given to us and based on our examination of the records of the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.
- c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of paragraph 3(xvi) (c) & (d) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred any cash losses during the financial year covered under audit and the immediately preceding financial year.
- (xviii) There is no resignation of the statutory auditors during the year in the company. Accordingly, clause 3(xviii) of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us and based on our examination of the records of the Company, section 135 is not applicable on the company. Accordingly, clause 3(xx) of the order are not applicable to the Company.

For, **SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
Firm Registration No. 118707W/W100724

**Karan Amlani**  
Partner  
Membership No. 193557  
UDIN : 23193557B9SKF8805



Place : Ahmedabad  
Date : 26/05/2023



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**SHAH DHANDHARIA & CO LLP**  
CHARTERED ACCOUNTANTS  
(LLPIN - AAW-6528)



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**RE: GLOBE TEXTILES (INDIA) LIMITED**  
**ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT**

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(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)

**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 the financial reporting of the Company as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the Standalone Ind AS Financial Statements of the company for the year ended on that date.

**Management’s Responsibilities 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. 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 Ind 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.



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*Shah Dhandharia & Co. (Registration No. GUJ/AH/102555) a Partnership Firm has been converted into Shah Dhandharia & Co LLP (LLP Identification No. AAW-6528) with effect from 9th Day of April, 2021*



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**SHAH DHANDHARIA & CO LLP**  
CHARTERED ACCOUNTANTS  
(LLPIN - AAW-6528)



**Annexure – B to the Independent Auditor's Report (Continue)**

**RE: Globe Textiles (India) Limited**

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

**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 Standalone Ind AS Financial 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 Standalone Ind AS 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 Standalone Ind AS 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 aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ahmedabad  
Date : 26/05/2023



For, **SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
Firm Reg. No. 118707W/W100724

**Karan Amlani**  
Partner  
Membership No. 193557  
UDIN - 23193557 BGS KFS 8025

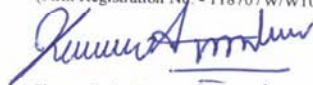
**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**  
**Balance sheet as at March 31, 2023**

(Rs. in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment			
(b) Right-of-use assets & Intangible Assets	4A	2,698.31	2,478.43
(c) Capital work-in-progress	4B	385.76	404.28
(d) Intangible assets under development	4C	6.05	246.94
(e) Financial Assets	4D	5.00	-
(i) Other financial assets	5		
(f) Income Tax Asset (net)	26	37.16	102.52
(g) Other Non-Current Assets	6	138.89	130.19
		18.00	-
<b>Total Non-current assets</b>		<b>3,289.17</b>	<b>3,362.36</b>
<b>Current assets</b>			
(a) Inventories			
(b) Financial Assets	7	8,422.94	8,524.65
(i) Trade receivables			
(ii) Cash and cash equivalents	8	10,890.68	12,443.62
(iii) Loans	9	13.04	15.41
(iv) Other financial assets	10	2.74	14.51
(c) Other current assets	5	153.94	156.20
	6	1,143.15	1,359.84
<b>Total Current assets</b>		<b>20,626.49</b>	<b>22,514.23</b>
<b>Total Assets</b>		<b>23,915.66</b>	<b>25,876.59</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	3,022.83	3,022.83
(b) Other equity	12	2,418.18	1,951.10
<b>Total Equity</b>		<b>5,441.01</b>	<b>4,973.93</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	2,353.09	1,829.93
(b) Deferred tax liabilities (net)	26	73.97	83.65
(c) Provisions	14(a)	118.43	119.95
<b>Total Non-current Liabilities</b>		<b>2,545.49</b>	<b>2,033.53</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	8,180.49	7,244.51
(ii) Trade payables	15		
- Total outstanding dues of micro and small enterprises		14.63	4.84
- Total outstanding dues of creditors other than micro and small enterprises		6,968.02	7,809.18
(iii) Other financial liabilities	16	122.70	2,945.77
(b) Other current liabilities	17	502.84	700.36
(c) Provisions	14(c)	49.79	54.89
(d) Income tax liabilities (net)	14(b) & 26	90.69	109.58
<b>Total Current Liabilities</b>		<b>15,929.16</b>	<b>18,869.13</b>
<b>Total Liabilities</b>		<b>18,474.65</b>	<b>20,902.66</b>
<b>Total Equity and Liabilities</b>		<b>23,915.66</b>	<b>25,876.59</b>

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date  
**For SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
(Firm Registration No. - 118707W/W100724)



**Karan Amlani**  
Partner  
(Membership No. - 193557)

Place : Ahmedabad  
DATE: 26/05/2023



For and on behalf of the Board of Directors



**Bhavin Parikh**  
Managing Director  
DIN : 00038223

Place : Ahmedabad  
DATE: 26/05/2023



**Nitesh Vora**  
Whole Time Director  
DIN : 02158990



**Bhavin Parikh**  
Chief Financial Officer



**Faruk Diwan**  
Company Secretary  
M. No : 41911





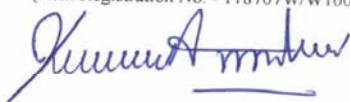
**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**  
**Statement of Profit and Loss for the year ended March 31, 2023**

(Rs. in lakhs)

Particulars	Notes	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Income</b>			
I Revenue from operations			
II Other income	18	39,942.09	38,342.25
III <b>Total Income (I) + (II)</b>	19	241.09	213.98
		<b>40,183.18</b>	<b>38,556.23</b>
<b>IV Expenses</b>			
Cost of materials consumed	20	16,595.53	15,225.58
Purchase of Stock-in-Trade		13,451.04	20,097.90
Changes in stock of finished goods and stock-in-trade	21	4,633.83	(431.55)
Employee benefits expense	22	2,084.86	913.39
Finance costs	23	1,156.38	912.84
Depreciation and amortization expense	24	287.75	122.63
Other expenses	25	1,407.93	1,062.16
<b>Total expenses (IV)</b>		<b>39,617.32</b>	<b>37,902.95</b>
V <b>Profit before tax (III) - (IV)</b>		<b>565.86</b>	<b>653.28</b>
<b>VI Tax expenses</b>			
Income tax expense in respect of current year	26	139.02	182.50
Income tax expense/ (credit) in respect of earlier years		(8.45)	(13.18)
Deferred tax		(15.24)	(29.59)
<b>Net tax expenses (VI)</b>		<b>115.33</b>	<b>139.73</b>
VII <b>Profit after tax for the year (V) - (VI)</b>		<b>450.53</b>	<b>513.55</b>
<b>VIII Other Comprehensive Income (OCI)</b>			
(i) <b>Items that will not be reclassified to profit or loss</b>		<b>450.53</b>	<b>513.55</b>
(a) Remeasurement of the defined benefit plans		22.12	13.42
(b) Income tax relating to items that will not be reclassified to profit or loss		(5.57)	(3.73)
<b>Net other comprehensive Income (VIII)</b>		<b>16.55</b>	<b>9.69</b>
IX <b>Total Comprehensive Income for the year (VII+VIII)</b>		<b>467.08</b>	<b>523.24</b>
<b>X Earnings per equity share (Face value of Rs. 2 each)</b>			
- Basic	29	0.30	0.50
- Diluted		0.30	0.50

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date  
**For SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
(Firm Registration No. - 118707W/W100724)



**Karan Amlani**  
Partner

(Membership No. - 193557)

Place : Ahmedabad  
DATE: 26/05/2023



For and on behalf of the Board of Directors



**Bhavik Parikh**  
Managing Director

DIN : 00038223

Place : Ahmedabad  
DATE: 26/05/2023



**Nitesh Vora** Whole Time Director  
**Bhavik Parikh** Chief Financial Officer

DIN : 02158990

**Faruk Diwan**  
Company Secretary

M. No : 41911



**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**  
**Statement of Cash Flows for the year ended March 31, 2023**

(Rs. in lakhs)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>A Cash flow from operating activities</b>		
Profit before tax	565.86	653.28
Adjustment for :		
Interest income	(8.54)	(4.28)
Liabilities no longer required written back	(143.08)	(32.35)
Depreciation and amortization expense	287.75	122.63
Finance costs	1,156.38	912.84
Profit on sale of Property, Plant and Equipment	(4.82)	-
Balance Write off	39.64	44.56
Mark To Market Loss on Forward Contracts	26.19	11.01
Unrealised foreign exchange gain	(51.42)	(57.15)
<b>Operating Profit before working capital changes</b>	<b>1,867.96</b>	<b>1,650.54</b>
<b>Movements in Working Capital :</b>		
Decrease / (Increase) in Trade receivables	1,513.30	(495.58)
Decrease in Other assets (current and non-current)	216.69	385.26
(Increase) / Decrease in Other financial assets (current and non-current)	63.56	149.36
Decrease / (Increase) in Inventories	101.71	(1,022.52)
(Decrease) in Trade payables	(636.87)	(1,688.20)
(Decrease) / Increase in Other Current liabilities	(197.52)	114.03
(Decrease) / Increase in Other financial liabilities (current and non-current)	(2,859.97)	279.86
Increase / (Decrease) in Provisions (Current and Non - Current)	15.50	(160.57)
<b>Cash generated from / (Used in) Operations</b>	<b>84.36</b>	<b>(787.82)</b>
Direct Taxes Paid / (Received) - Net	(158.16)	(84.08)
<b>Net cash generated (used in) operating activities (A)</b>	<b>(73.80)</b>	<b>(871.90)</b>
<b>B Cash flow from investing activities</b>		
Payment for Purchase of Property, Plant and Equipments (Including Capital work in progress and Capital Advances)	(280.34)	(38.50)
Proceeds from sale of Property, Plant and Equipment	13.94	-
Bank deposits / margin money withdrawn / (placed)	(2.97)	-
Interest received	15.57	4.42
<b>Net cash (used in) investing activities (B)</b>	<b>(253.80)</b>	<b>(34.08)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from Non- Current Borrowings	1,034.00	1,470.00
Repayment of Non - Current Borrowings	(481.22)	(354.52)
Proceeds / (Repayment) of Current Borrowings (net)	935.98	715.13
Proceeds from Loans received / (given)back	11.77	(12.12)
Finance Costs paid	(1,175.30)	(904.43)
<b>Net cash generated from financing activities (C)</b>	<b>325.23</b>	<b>914.06</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(2.37)</b>	<b>8.08</b>
Cash and cash equivalents at the beginning of the year	15.41	7.33
<b>Cash and cash equivalents at the end of the year</b>	<b>13.04</b>	<b>15.41</b>
<b>Cash and cash equivalents comprises of:</b>		
Cash on hand	10.80	14.07
Balances with banks		
In current accounts	2.24	1.34
<b>Total cash and cash equivalents</b>	<b>13.04</b>	<b>15.41</b>

**Notes:**

(1) The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).



**Globe Textiles (India) Limited**  
**CIN : L65910GJ1995PLC027673**

**Statement of Cash Flows for the year ended March 31, 2023**

**(Rs. in lakhs)**

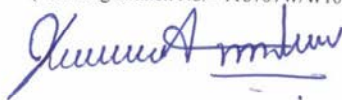
(2) Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 – Statement of Cash flows is presented as under.

**Changes in liabilities arising from financing activities**

Particulars	As at	April	Cash Flows	Other Changes	As at
	01, 2022	30, 2022			March 31, 2023
Non Current Borrowings (refer note 13)		1,829.93	552.78	(29.62)	2,353.09
Current Borrowings (refer note 13)		7,244.51	935.98	-	8,180.49
Interest Accrued but not due (refer note 16)		5.43	(1,175.30)	1,186.01	16.14
<b>TOTAL</b>		<b>9,079.87</b>	<b>313.46</b>	<b>1,156.39</b>	<b>10,549.72</b>

Particulars	As at	April	Cash Flows	Other Changes	As at
	01, 2021	30, 2021			March 31, 2022
Non Current Borrowings (refer note 13)		885.4	1,115.48	(170.95)	1,829.93
Current Borrowings (refer note 13)		6529.38	715.13	-	7,244.51
Interest Accrued but not due (refer note 16)		1.11	(904.43)	908.75	5.43
<b>TOTAL</b>		<b>7,415.89</b>	<b>926.18</b>	<b>737.80</b>	<b>9,079.87</b>

As per our attached report of even date  
**For SHAH DHANDHARIA & CO LLP**  
Chartered Accountants  
(Firm Registration No. - 118707W/W100724)



**Karan Amlani**  
Partner

(Membership No. - 193557)

Place : Ahmedabad  
DATE: 26/05/2023



For and on behalf of the Board of Directors



**Bhavik Parikh**  
Managing Director

DIN : 00038223



**Nilay Vora**  
Whole Time  
Director

DIN : 02158990



**Bhavin Parikh**  
Chief Financial  
Officer



**Faruk Diwan**  
Company Secretary

M. No : 41911

Place : Ahmedabad  
DATE: 26/05/2023



Globe Textiles (India) Limited  
CIN : L6510GJ1995PLC027673

Statement of Changes in Equity for the year ended March 31, 2023

Particulars	Equity Share Capital	Other Equity			Other Comprehensive Income FVTOCI Reserve	Total
		Securities Premium	Retained Earning	Equity Component of Borrowing		
<b>As at April 01, 2021</b>						
Profit for the year	1,007.61	862.53	2,385.86	-	19.58	4,275.58
Other Comprehensive Income	-	-	513.55	-	-	513.55
Re-measurement gains/(Loss) on defined benefit plans	-	-	-	-	9.69	9.69
<b>Total Comprehensive Income for the year</b>	<b>1,007.61</b>	<b>862.53</b>	<b>2,899.41</b>	<b>-</b>	<b>29.27</b>	<b>4,798.82</b>
Share Capital issued during the year	-	-	-	-	-	-
Equity Component of Borrowing	-	-	-	175.11	-	175.11
Issue of shares on account of sub division and Bonus	2,015.22	(862.53)	(1,152.69)	-	-	-
<b>As at March 31, 2022</b>	<b>3,022.83</b>	<b>-</b>	<b>1,746.72</b>	<b>175.11</b>	<b>29.27</b>	<b>4,973.93</b>
Profit for the year	-	-	450.53	-	-	450.53
Other Comprehensive Income	-	-	-	-	-	-
Re-measurement gains/(Loss) on defined benefit plans	-	-	-	-	16.55	16.55
<b>Total Comprehensive Income for the year</b>	<b>3,022.83</b>	<b>-</b>	<b>2,197.25</b>	<b>175.11</b>	<b>45.82</b>	<b>5,441.01</b>
Issue of shares on account of sub division and Bonus	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>3,022.83</b>	<b>-</b>	<b>2,197.25</b>	<b>175.11</b>	<b>45.82</b>	<b>5,441.01</b>

The accompanying notes are an integral part of the financial statements

As per our attached report of even date  
For SHAH DHANDHARIA & CO LLP  
Chartered Accountants  
(Firm Registration No. - 11870W/W100724)

Karan Amlani  
Partner  
(Membership No. - 193557)

Place : Ahmedabad  
DATE: 26/05/2023



For and on behalf of the Board of Directors

*(Signature)*  
Bhavik Parikh  
Managing Director  
DIN : 00038223

Place : Ahmedabad  
DATE: 26/05/2023

*(Signature)*  
Nilay Vora  
Whole Time Director  
DIN : 02158900

Bhavin Parikh  
Chief Financial Officer

Faruk Diwan  
Company Secretary  
M. No : 41911





**1 Corporate information**

Globe Textiles (India) Limited originally incorporated as a Private Limited Company under the provisions of the erstwhile Companies Act, 1956 (now Companies Act, 2013) and its Registered Office at Plot No. 38 to 41, Ahmedabad Apparel Park, GIDC Khokhra, Ahmedabad - 380008 in India. The Company is based in Ahmedabad and is primarily involved in trading and manufacturing of textile products.

The financial statements of the Company for the year ended March 31, 2023 have been considered and approved by the Board of Directors at their meeting held on May 26, 2023.

**2 Basis of preparation and Presentation:**

**A Basis of preparation:**

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III to the Companies Act, 2013 (as amended), on going concern basis under the historical cost convention except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

The financial statements are presented in Indian rupees (INR) which is also Company's functional currency and all values are rounded to the nearest Lakh Rupees, except when otherwise indicated.

**B Basis of Measurement**

The financial statements have been prepared on accrual and going concern basis under the historical cost convention except for certain class of financial assets/ liabilities, and net liability for defined benefit plans that are measured at fair value. The accounting policies have been consistently applied by the Company unless otherwise stated.

**C Functional and Presentation Currency**

The financial statements have been prepared and presented in Indian Rupees (INR), which is also the Company's functional currency.

**D Rounding off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs unless otherwise stated.

**E Use of accounting estimates and judgement:**

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

**(i) Depreciation / amortisation and useful lives of property, plant and equipment / intangible assets :-**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**(ii) Measurement of defined benefit obligations**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(iii) Recognition and measurement of provisions and contingencies**

The Company recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.



**(iv) Recognition of deferred tax assets/liabilities**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies and future recoverability of deferred tax assets.

**(v) Impairment of financial assets**

The Company recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**(vi) Fair Value Measurement**

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable.

**F Current/non-current classification:**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any one of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in entity's normal operating cycle,
- it is held primarily for the purpose of being traded,
- it is expected to be realised within twelve months after the balance sheet, or
- it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any one of the following criteria:

- it is expected to be settled in the entity's normal operating cycle,
  - it is held primarily for the purpose of being traded,
  - it is due to be settled within twelve months after the balance sheet date, or
  - the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not effect its classification.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

**G Operating Cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on this, the Company has ascertained 12 months as its operating cycle and hence 12 months has been considered for the purpose of current to non-current classification of assets and liabilities.



**3 Summary of Significant Accounting Policies**

**A Property, Plant and Equipment**

**Recognition and Measurement**

Property, Plant and Equipments, including Capital Work in Progress, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of tax credits, wherever applicable), import duty and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use. In case of self constructed assets, cost includes the costs of all materials used in construction, direct labour and allocation of overheads. Borrowing cost relating to acquisition / construction of Property, Plant and Equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

**Subsequent Measurement**

Subsequent expenditure related to an item of Property, Plant and Equipment are included in its carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs are depreciated over the residual life of the respective assets. All other expenses on existing Property, Plant and Equipments, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

**Capital Work in Progress**

Expenditure related to and incurred during implementation of capital projects to get the assets ready for intended use is included under "Capital Work in Progress". The same is allocated to the respective items of property plant and equipment on completion of construction/ erection of the capital project/ property plant and equipment. The cost of asset not ready for its intended use before the year end & capital inventory are disclosed under capital work in progress.

**Depreciation**

Depreciation is provided using straight-line method as specified in Schedule II to the Companies Act, 2013 or based on technical estimates. Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

**Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in Statement of Profit and Loss.

**B Intangibles assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

The estimated useful lives of intangible assets are as follows :

Class of assets	Useful Life (in years)
Software	5 years





**C Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets, other than inventories and deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of such asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

Reversal of impairment losses recognised in earlier years is recorded when there is an indication that the impairment losses recognised for the asset/cash generating unit no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that asset/cash generating unit in earlier years. Reversal of impairment loss is directly recognised in the statement of Profit and Loss.

**D Borrowing Costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that 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. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

**E Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial instruments at initial recognition.

**(I) Initial Recognition and Measurements**

A financial asset and financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss.

Where the fair value of a financial asset or financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial assets or financial liability.

Trade receivables that do not contain a significant financing component are measured at transaction price.





**(2) Subsequent Measurements**

**(a) Financial Assets**

For purposes of subsequent measurement, financial assets are classified based on assessment of business model in which they are held. This assessment is done for portfolio of the financial assets. The relevant categories are as below:

**(i) At amortised cost:**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) At fair value through Other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) At fair value through profit and loss (FVTPL)**

Financial assets which are not measured at amortised cost or OCI and are held for trading are measured at FVTPL. Fair value changes related to such financial assets are recognised in the Statement of Profit and Loss.

Based on the Company's business model, the Company has classified its securities held for trade and Investment in Mutual Funds at FVTPL.

**(iv) Impairment of Financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Expected credit losses rate the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**(v) Derecognition of Financial Assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

**(b) Financial Liabilities**

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method or at FVTPL.



**(i) At amortised cost:**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

**(ii) At Fair Value through Profit and Loss:**

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management.

Fair value changes related to such financial liabilities are recognised in the Statement of Profit and Loss.

**(iii) Derecognition of Financial Liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

**(iv) Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset when the Company has a legally enforceable right (not contingent on future events) to off-set the recognised amounts either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**(3) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

**(4) Derivative Financial Instruments**

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately.

**F Foreign currency transactions**

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognised in the Statement of Profit and Loss.

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.





## G Revenue Recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

**Step 1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step 5:** Recognise revenue when (or as) the Company satisfies a performance obligation

Revenue from contracts with customers is recognised when control of the services are transferred to the customer which can be either at a point in time or over time, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Revenue recognized are exclusive of goods and service tax.

The Company recognises revenue from the following major sources:

- (i) Sale to domestic customers: Major sale to the domestic customers are made on ex-factory basis and revenue is recognised when the goods are dispatched from the factory gates.
- (ii) Sales outside India: In case of export sales, revenue is recognised on shipment date, when performance obligation is met.
- (iii) Job Work: Revenue is recognised once job work is completed for each specific work order.

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as income received in advance or unearned revenue).

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

### Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### Interest Income

Interest income on financial assets is recognised using the Effective Interest Rate (EIR) method. The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument.

### Dividend Income

Dividend income is recognised when the right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

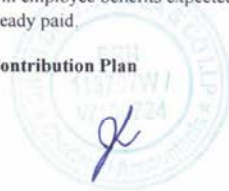
## H Employees Benefit

Employee benefits include short term employee benefits, provident fund, employee's state insurance, gratuity and compensated absences.

### Short term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

### Defined Contribution Plan



**Globe Textiles (India) Limited**

CIN : L65910GJ1995PLC027673

**Notes to the financial statements for the year ended March 31, 2023**

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The Company does not carry any further obligations, apart from the contributions made on a monthly basis.

**Defined Benefit Plan**

The Company provides for the gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment, and is unfunded. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Remeasurements of the net defined benefit liability comprising actuarial gains and losses (excluding amounts included in net interest on the net defined benefit liability), are recognized in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary.

**Compensated absences**

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits and is unfunded. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**I Current and deferred tax**

Tax on Income comprises current and deferred tax..

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the reporting period in accordance with the Income-tax Act, 1961 enacted in India and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred tax**

Deferred tax is recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities in financial statements and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantially enacted as on reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is also recognised in respect of carried forward tax losses and tax credits subject to the assessment of reasonable certainty of recovery. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

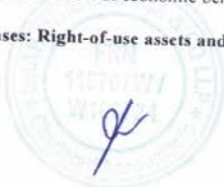
Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside with the underlying items i.e. either in the statement of other comprehensive income or directly in equity as relevant.

**J Provisions and contingent liabilities:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

**K Leases: Right-of-use assets and Lease liabilities**





**i) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**The Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**L. Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents for the purpose of Statement of Cash Flow comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.

**M. Earning per share**

Basic earnings per share is computed by dividing the profit / (loss) for the period attributable to equity share holder by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) for the period attributable to Equity Share holders and the weighted average number of shares outstanding during the year are adjusted for effects of all dilutive potential equity shares.

**N. Government Grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognised and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.



**Notes to the financial statements for the year ended March 31, 2023**

The benefit of a government loan at a below-market rate of interest and effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

**O Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108 - Operating Segments, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

**P Cash flow statement**

Cash flows are reported using the indirect method, whereby net profits after tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated based upon the available information.

**Q Expenditure**

Expenses are net of taxes recoverable, where applicable.



Globe Textiles (India) Limited  
CIN : L65910GJ1995PLC027673  
Notes to the financial statements for the year ended March 31, 2023

4A Property, Plant and Equipment

Particulars	(Rs. in lakhs)						
	Building	Plant and Machinery	Office Equipment	Furniture and Fixtures	Computer Equipment	Vehicles	Total
<b>Gross Block (at deemed cost)</b>							
As at April 01, 2021	700.23	945.68	39.06	55.43	30.53	115.15	1,886.08
Additions during the year	-	2.12	2.15	2.66	10.39	-	17.32
Addition on account of Business Transfer Agreement	314.25	783.12	84.85	32.06	9.08	-	1,223.36
Disposals/ Adjustments	-	-	-	-	-	-	-
As at March 31, 2022	1,014.48	1,730.92	126.06	90.15	50.00	115.15	3,126.76
Additions during the year	31.07	429.52	4.19	27.71	5.73	-	498.22
Disposals/ Adjustments	-	(9.52)	-	-	-	-	(9.52)
As at March 31, 2023	1,045.54	2,150.92	130.25	117.86	55.74	115.15	3,615.46
<b>Accumulated Depreciation</b>							
As at April 01, 2021	122.54	267.29	32.61	28.47	25.44	68.00	544.35
Additions during the year	22.15	59.93	2.58	5.37	2.87	11.08	103.98
Disposals/ Adjustments	-	-	-	-	-	-	-
As at March 31, 2022	144.69	327.22	35.19	33.84	28.31	79.08	648.33
Additions during the year	32.38	161.96	26.34	27.67	9.75	11.14	269.23
Disposals/ Adjustments	-	(0.40)	-	-	-	-	(0.40)
As at March 31, 2023	177.07	488.77	61.53	61.51	38.06	90.22	917.56
<b>Net Block</b>							
Net Carrying Value as at March 31, 2022	869.79	1,403.70	90.87	56.31	21.69	36.07	2,478.43
Net Carrying Value as at March 31, 2023	868.47	1,662.15	68.73	56.35	17.68	24.92	2,698.31

(a) Property, Plant and Equipment given as security for various borrowing facilities availed from lenders, refer Note 13.



Globe Textiles (India) Limited  
CIN : L65910G:J1995PLC027673

Notes to the financial statements for the year ended March 31, 2023

4B Right-of-use assets and Intangible Assets

Particulars	Right-of-use assets		Intangible Assets	
	Leasehold Land	Total	Computer	Total
<b>Gross Block</b>				
As at April 01, 2021	460.23	460.23	13.07	13.07
Additions during the year	-	-	-	-
Disposals/ Adjustments	-	-	-	-
As at March 31, 2022	460.23	460.23	13.07	13.07
Additions during the year	-	-	-	-
Disposals/ Adjustments	-	-	-	-
As at March 31, 2023	460.23	460.23	13.07	13.07
<b>Accumulated Depreciation</b>				
As at April 01, 2022	37.30	37.30	13.07	13.07
Additions during the year	18.65	18.65	-	-
Disposals/ Adjustments	-	-	-	-
As at March 31, 2022	55.95	55.95	13.07	13.07
Additions during the year	18.52	18.52	-	-
Disposals/ Adjustments	-	-	-	-
As at March 31, 2023	74.47	74.47	13.07	13.07
<b>Net Block</b>				
Net Carrying Value as at March 31, 2022	404.28	404.28	-	-
Net Carrying Value as at March 31, 2023	385.76	385.76	-	-





Globe Textiles (India) Limited  
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Notes to the financial statements for the year ended March 31, 2023

4C Capital Work in Progress

	As at March 31, 2023	As at March 31, 2022
Capital Work in Progress	6.05	246.94
<b>Total</b>	<b>6.05</b>	<b>246.94</b>

CWIP Ageing Schedule

As at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.05	-	-	-	6.05
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>6.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.05</b>

As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	246.94	-	-	-	246.94
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>246.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>246.94</b>

4D

Intangible Assets under Development

	As at March 31, 2023	As at March 31, 2022
Software Under Development	5.00	-
<b>Total</b>	<b>5.00</b>	<b>-</b>

CWIP Ageing Schedule

As at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.00	-	-	-	5.00
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>5.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.00</b>

As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



5 Other financial assets	As at March 31, 2023	As at March 31, 2022
<i>(measured at amortised cost except for Derivative Assets which is measured at Fair value through profit or loss)</i>		
<i>(Unsecured, considered good unless otherwise stated)</i>		
<b>Non-Current</b>		
Security deposit given	37.16	96.51
Interest accrued but not due on deposits	-	6.01
<b>Total</b>	<b>37.16</b>	<b>102.52</b>
<b>Current</b>		
Derivative Assets - Foreign exchange forward contracts	-	25.49
Deposits held as Margin Money (Refer Note (a))	131.00	128.03
Security deposit given	22.93	1.65
Interest accrued but not due on deposits	0.01	1.03
<b>Total</b>	<b>153.94</b>	<b>156.20</b>
(a) Deposits are under lien as security for borrowing facilities given by lenders, refer Note 13.		
6 Other Assets	As at March 31, 2023	As at March 31, 2022
<b>Non Current Assets</b>		
Capital Advances	18.00	-
<b>Total</b>	<b>18.00</b>	<b>-</b>
<b>Current</b>		
Advances to suppliers	27.43	71.91
Advances to employees	27.68	30.07
Subsidy receivable	121.25	121.25
Export Benefit Receivable	298.66	491.94
Balances with government authorities	645.28	629.10
Other Receivables	1.83	1.83
Prepaid expenses	21.02	13.74
<b>Total</b>	<b>1,143.15</b>	<b>1,359.84</b>
7 Inventories	As at March 31, 2023	As at March 31, 2022
<i>(at lower of cost or Net realisable value)</i>		
Store & Spares	29.52	-
Raw Materials	7,120.69	2,618.09
Finished Goods	1,272.73	5,906.56
<b>Total</b>	<b>8,422.94</b>	<b>8,524.65</b>
Note : Inventories are given as security for various borrowing facilities availed from lenders, refer Note 13.		
8 Trade receivables	As at March 31, 2023	As at March 31, 2022
<i>(measured at amortised cost)</i>		
Secured Considered Good	-	-
Unsecured Considered Good	10,431.57	12,443.62
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables credit impaired	-	-
Unbilled Revenue	459.11	-
	<b>10,890.68</b>	<b>12,443.62</b>
Less: Allowance for credit loss	-	-
<b>Total</b>	<b>10,890.68</b>	<b>12,443.62</b>

Note :

- (a) Trade receivables are given as security for various borrowing facilities availed from lenders, refer Note 13  
(b) Refer note : 33, for related party transaction



**a. As at March 31, 2023**

Sr No	Particulars	Outstanding for following periods from due date of receipt*						Total
		Unbilled	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
1	Undisputed Trade receivables - Considered good	459.11	9,192.72	878.98	98.08	187.58	74.21	10,890.68
2	Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
3	Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
4	Disputed Trade receivables - Considered good	-	-	-	-	-	-	-
5	Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-

**b. As at March 31, 2022**

Sr No	Particulars	Outstanding for following periods from due date of receipt*						Total
		Unbilled	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
1	Undisputed Trade receivables - Considered good	-	11,784.18	348.71	220.09	9.10	81.54	12,443.62
2	Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
3	Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
4	Disputed Trade receivables - Considered good	-	-	-	-	-	-	-
5	Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
6	Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-

\* The management has decided to consider bill date is due date for calculating outstanding receivables.

<b>9 Cash and cash equivalents</b>	As at March 31, 2023	As at March 31, 2022
<i>(measured at amortised cost)</i>		
Cash on Hand	10.80	14.07
<b>Balance with Banks:</b>		
- In current accounts	2.24	1.34
<b>Total</b>	<b>13.04</b>	<b>15.41</b>
<b>10 Loans</b>	As at March 31, 2023	As at March 31, 2022
<i>(measured at amortised cost)</i>		
<b>Current</b>		
Loan to Employees	2.74	14.51
<b>Total</b>	<b>2.74</b>	<b>14.51</b>



11 Equity share capital	As at March 31,	As at March 31,
	2023	2022
<b>Authorised Equity Share Capital</b>		
24,00,00,000 Equity Shares of Rs. 2 each (Previous Year 15,25,00,000 Equity Shares of Rs. 2 each) (refer note (a) below)	4,800.00	3,050.00
<b>Total</b>	<b>4,800.00</b>	<b>3,050.00</b>
<b>Issued, Subscribed and Fully Paid-up Share Capital</b>		
15,11,41,500 Equity Shares of Rs. 2 each (Previous Year 15,11,41,500 Equity Shares of Rs. 2 each)	3,022.83	3,022.83
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>3,022.83</b>	<b>3,022.83</b>

**Note (a)**

The Company has increased authorised share capital from existing Rs. 30,50,00,000/- (Rupees Thirty Crore Fifty Lakhs Only) divided into 15,25,00,000 (Fifteen Crore Twenty-Five Lakhs) Equity Shares of Rs. 2/- each to Rs. 48,00,00,000/- (Rupees Forty-Eight Crore Only) divided into 24,00,00,000 (Twenty Four Crore) Equity Shares of Rs. 2/- each vide Ordinary Resolution passed in the extra-ordinary general meeting held on March 07, 2023.

**(i) Reconciliation of number of shares**

Equity Shares	No of Shares	Amount
<b>Balance as at April 01, 2021</b>	<b>10,076,100</b>	<b>1,007.61</b>
Add : Issue of shares on account of sub division and Bonus (Refer note (a) below)	141,065,400	2,015.22
<b>Balance as at March 31, 2022</b>	<b>151,141,500</b>	<b>3,022.83</b>
Add : Issue of shares during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>151,141,500</b>	<b>3,022.83</b>

**Note (a)**

Pursuant to the approval of the shareholders through the extra-ordinary general meeting held on July 27, 2021, the Company has sub divided 1,00,76,100 equity shares of face value Rs. 10 each into 5,03,80,500 equity shares of Rs. 2 each and post subdivision, allotted 10,07,61,000 bonus equity shares of Rs. 2 each as fully paid-up equity shares, in the ratio of 2 (two) equity shares of Rs. 2 each for every 1 (one) equity share of Rs. 2 each to the shareholders of the Company as on record date of August 04, 2021. Consequently the Company capitalised a sum of Rs. 2,015.22 lakhs from security premium and retained earnings.

**(ii) Rights, preferences and restrictions attached to Equity shares**

The Company has only one class of equity shares having a par value of Rs.2/- per share (PY Rs.2/- per share). Each shareholder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Shares held by Holding Company including shares held by or by subsidiaries or associates of the holding company or the Ultimate Holding Company**

The Company does not have any Holding Company, Subsidiaries or Associates.

**(iv) Details of shareholders holding more than 5% of the aggregate shares in the Company**

Equity Shares	As at March 31, 2023		As at March 31, 2022	
	No of Shares	% Holding	No of Shares	% Holding
Nilaybhai J. Vora	10,860,000	7.19%	18,060,000	11.95%
Bhavin S. Parikh	26,124,300	17.28%	26,124,300	17.28%
Purvi B. Parikh	13,062,150	8.64%	13,062,150	8.64%
Bhavik S. Parikh	3,418,623	2.26%	20,382,900	13.49%
Shraddha B. Parikh	5,912,150	3.91%	13,062,150	8.64%

**(v) Shareholding of Promoters**

S. No	Promoter name	Shares held by promoters as at March 31, 2023		% Change during the year
		No. of Shares	% of total shares	
1	Bhavin Suryakant Parikh	26,124,300	17.28%	0.00%
2	Bhavik Suryakant Parikh	3,418,623	2.26%	(11.23%)
3	Jagdishkumar Manilal Vora	542,500	0.36%	(0.43%)
4	Purvi Bhavin Parikh	13,062,150	8.64%	0.00%
5	Nilaybhai Jagdishbhai Vora	10,860,000	7.19%	(4.76%)
6	Saradaben Suryakant Parikh	2,137,500	1.41%	(1.2%)
7	Suryakant Hiratal Parikh	-	0.00%	0.00%
8	Shraddha Bhavik Parikh	5,912,150	3.91%	(4.73%)
9	Asha Mitesh Adani	-	0.00%	(0.04%)
	<b>Total</b>	<b>62,057,223</b>	<b>41.05%</b>	<b>(22.38%)</b>





				(Rs. in lakhs)
S. No	Shares held by promoters as at March 31, 2022			% Change during the year
	Promoter name	No. of Shares	% of total shares	
1	Bhavin Suryakant Parikh	26,124,300	17.28%	0.00%
2	Bhavik Suryakant Parikh	20,382,900	13.49%	(9.92%)
3	Jagdishkumar Manilal Vora	1,192,500	0.79%	0.00%
4	Purvi Bhavin Parikh	13,062,150	8.64%	0.00%
5	Nilaybhai Jagdishbhai Vora	18,060,000	11.95%	0.00%
6	Saradaben Suryakant Parikh	3,937,500	2.61%	2.61%
7	Suryakant Hiralal Parikh	-	0.00%	(2.61%)
8	Shraddha Bhavik Parikh	13,062,150	8.64%	0.00%
9	Asha Mitesh Adani	60,000	0.04%	0.00%
	<b>Total</b>	<b>95,881,500</b>	<b>63.44%</b>	<b>(9.92%)</b>

(vi) Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and

The Company does not have any shares reserved for issue under options and contracts/commitment.

(vii) For the period of five years immediately preceding March 31, 2023

- (a) Shares allotted as fully paid-up without payment being received in cash: Nil  
(b) Shares bought back: Nil  
(c) Issue of Bonus shares: Nil

12 Other equity	As at March 31, 2023	As at March 31, 2022
<b>(a) Securities Premium</b>		
Balance as at beginning of the year	-	862.53
Less: Transfer to issue bonus shares	-	(862.53)
<b>Balance as at end of the year</b>	<b>-</b>	<b>-</b>
<b>(b) Retained Earnings</b>		
Balance as at beginning of the year	1,775.99	2,405.44
Add : Net Profit for the year	450.53	513.55
Less: Transfer to issue bonus shares	-	(1,152.69)
Add : Other comprehensive income arising from remeasurement of defined benefit obligation net of tax	22.11	9.69
<b>Balance as at end of the year</b>	<b>2,248.63</b>	<b>1,775.99</b>
<b>(c) Equity component of borrowing</b>		
Balance as at beginning of the year	-	-
Add : Equity component of borrowing (Refer note (a))	175.11	175.11
<b>Balance as at end of the year</b>	<b>175.11</b>	<b>175.11</b>
<b>Total Other Equity</b>	<b>2,423.74</b>	<b>1,951.10</b>

Note(a):

Upfront benefit from promoters include loan received from director is payable within 5 years from the date of receipt with 0% interest rate.

The description of the nature and purpose of each reserve within Other equity is as follows:

(i) Securities Premium

The securities premium received by the Company on issue of shares at premium. This balance will be utilised in accordance with the provisions of Section 52 of the Act towards issuance of fully paid bonus shares, write-off of preliminary expenses, commission/discount expenses on issue of shares/debentures, premium payable on redemption of redeemable preference shares/debentures and buy back of its own shares/securities under Section 68 of the Act.

(ii) Retained Earnings

The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the financial position and dividend policy of the Company and in compliance with the requirements of the Act.



Notes to the financial statements for the year ended March 31, 2023

(Rs. in lakhs)

13 Borrowings		As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>			
<b>Secured</b>			
<b>Term Loan</b>			
- from banks	Refer note (a & d)	1,994.42	1,483.54
- from NBFC	Refer note (b)	-	13.86
<b>Unsecured</b>			
<b>Term Loan</b>			
- from related parties (refer note 33)	Refer note (e)	358.67	329.05
- from NBFC	Refer note (b)	-	3.48
<b>Total</b>		<b>2,353.09</b>	<b>1,829.93</b>
<b>Current</b>			
<b>Secured</b>			
Current maturities of Non - Current borrowings	Refer note (a & d)	472.49	264.59
<b>Demand Loan</b>			
- from banks	Refer note (c & d)	6,746.31	6,895.89
<b>Unsecured</b>			
- from related parties (refer note 33)	Refer note (f)	961.69	84.03
<b>Total</b>		<b>8,180.49</b>	<b>7,244.51</b>

**Notes:**

(a) Details of Term Loans from Banks:

Particulars	Carrying Value	Amount of Instalment in Lakhs	No. of Monthly Instalments	Interest Rate
Karur Vyasya Bank	513.54	15.10	Moratorium period of 13 months from the date of first disbursement and then 48 Equal Monthly Instalments starting from 05/02/2022	9.25%
Bank of Maharashtra (ECLGS 2.0)	600.00	16.79	Moratorium period of 24 months from the date of first disbursement and then 36 Equal Monthly Instalments starting from 29/01/2024	RLLR + 0.7 and Maximum up to 9.25%
Bank of Maharashtra (Fresh Term Loan)	1,034.00	13.25	Moratorium period of 6 months from the date of first disbursement and then 78 Equal Monthly Instalments starting from 19/04/2023	MLCR (7.60%) + 2.5% + 0.50% (BSS) - 1.5% (Concession in ROI)
Union Bank of India (Covid Emergency Credit Line Term Loan)	319.37	8.99	Moratorium period of 12 months from the date of first disbursement and then 48 Equal Monthly Instalments starting from 31/08/2022	EBLR + 1% or 9.25% Which ever is lower

(b) Details of Loans from NBFC:

Particulars	Amount of Instalment	No. of Monthly Instalments	Interest Rate
Capital First Limited (Unsecured Loan)	1.84	First 12 Instalments	18% P.A.
	1.10	Subsequent 12 Instalments	
	0.73	Subsequent 12 Instalments	
Shriram City Union Finance Ltd (Unsecured Loan)	2.62	First 8 Instalments	16% P.A.
	2.33	Subsequent 8 Instalments	
	0.88	Subsequent 4 Instalments	
	2.62	Subsequent 1 Instalment	
India Infoline Finance Ltd (Unsecured Loan)	1.63	Subsequent 1 Instalment	15% P.A.
	2.18	First 8 Instalments	
	1.53	Subsequent 5 Instalments	
Mas Financial Services Ltd (Unsecured Loan)	0.94	Subsequent 11 Instalments	13.25% P.A.
	1.54	48 Instalments	
Mas Financial Services Ltd (Secured Loan)	6.16	48 Instalments	13.25% P.A.

(c) Secured Loan from bank comprises of cash credit and packing credit facilities. Cash credit and packing credit facilities are repayable on demand and carry interest. Further, Secured loan from banks for cash credit and packing credit facilities include new limits availed during the year, repayable on demand and carry interest. Existing cash credit and packing credit limits and new limits availed during the year are secured against all trade receivables and stock.

All Bank CC and PC facilities Limit Sanction / Renewal latter and Rate of Interest (%) (In crores)

Name of the Bank	Existing Limit	Sanctioned Limit	Rate of Interest
Bank of Maharashtra	42	42	RLLR (6.90%) + BSS (0.50%) + 2.50% i.e. Presently 9.90% p.a.
Union Bank of India	18	18	MCLR + 3.20%
Karur Vyasya Bank	10	10	9.70% p.a. (MCLR@9.35 + 0.35%)

(d) The term loans and working capital facilities from banks are secured by hypothecation of all movable assets of the company and immovable assets located at the SEZ Unit of the company. Further, these loans are also secured by collateral securities given in the form of equitable mortgage of residential flat held by Mrs. Shardhaben B. Parikh, the additional equitable mortgage of immovable property held by the Company named "Aditya Green City Private Limited", additional equitable mortgage of industrial block held by Globe Denwash Private Limited and first pari-passu charge on residential property held by Mrs Sardaben Suryakant Parikh. Further, the term loans and working capital facilities are secured by personal guarantees of promoters and corporate guarantee of Globe Denwash Private Limited and Aditya Greencity Private Limited.

(e) Loan received from relative of director is payable within 5 years from the date of receipt with 0% interest rate.

(f) Unsecured loan from related parties represent loan taken from director and it is interest free and repayable on demand.





14 Provisions		As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>			
Provision for gratuity (Refer Note 32)		99.04	104.45
Provision for compensated absences (Refer Note 32)		19.39	15.50
<b>Total</b>	<b>(a)</b>	<b>118.43</b>	<b>119.95</b>
<b>Current</b>			
Provision for tax (Refer Note 26)	<b>(b)</b>	<b>90.69</b>	<b>109.58</b>
Provision for gratuity (Refer Note 32)		29.87	19.46
Provision for compensated absences (Refer Note 32)		19.92	35.43
<b>Total</b>	<b>(c)</b>	<b>49.79</b>	<b>54.89</b>
	<b>(b+c)</b>	<b>140.48</b>	<b>164.47</b>
<b>15 Trade payables</b>		<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Total outstanding dues of micro enterprises and small enterprises		14.63	4.84
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,968.02	7,809.18
<b>Total</b>		<b>6,982.65</b>	<b>7,814.02</b>

**Trade Payables Ageing Schedule**

As at March 31, 2023

Sr No	Particulars	Outstanding for following periods from due date of Payment*						Total
		Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	4.72	-	9.91	-	-	-	14.63
2	Others	228.11	-	5,968.56	203.52	563.45	4.38	6,968.02
3	Disputed dues - MSME	-	-	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>		<b>232.83</b>	<b>-</b>	<b>5,978.47</b>	<b>203.52</b>	<b>563.45</b>	<b>4.38</b>	<b>6,982.65</b>

As at March 31, 2022

Sr No	Particulars	Outstanding for following periods from due date of Payment*						Total
		Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
1	MSME	-	-	4.84	-	-	-	4.84
2	Others	222.55	-	6,803.10	770.22	9.45	3.86	7,809.18
3	Disputed dues - MSME	-	-	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>		<b>222.55</b>	<b>-</b>	<b>6,807.94</b>	<b>770.22</b>	<b>9.45</b>	<b>3.86</b>	<b>7,814.02</b>

Note : The management has decided to consider bill date as due date for calculating outstanding payables.

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particular	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	14.63	4.84
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the financial statements based on the information received and available with the Company. Further in view 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. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

16 Other financial liabilities		As at March 31, 2023	As at March 31, 2022
<i>(measured at amortised cost except for Derivative Assets which is measured at Fair value through profit or loss)</i>			
<b>Current</b>			
Interest accrued but not due on borrowings		16.14	5.43
Capital Creditors, retention money and other payable		37.86	225.76
Derivative Liabilities - Foreign exchange forward contracts		0.70	-
Security deposits taken		54.87	67.85
Other payable		13.13	2,646.73
<b>Total</b>		<b>122.70</b>	<b>2,945.77</b>



Globe Textiles (India) Limited  
CIN : L65910GJ1995PLC027673

Notes to the financial statements for the year ended March 31, 2023

(Rs. in lakhs)

17 Other Current liabilities	As at March 31,	As at March 31,
	2023	2022
Advance received from customers (Contract liabilities)	480.26	675.90
Statutory dues	22.58	24.40
<b>Total</b>	<b>502.84</b>	<b>700.36</b>



	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>18 Revenue From Operations</b>		
<b>Income from sale of goods</b>		
Domestic Sales	31,641.35	28,428.67
Exports Sales	6,722.90	9,367.73
<b>Other Operating Income</b>		
Job work Income	1,125.95	23.02
Export Incentives	451.89	522.83
<b>Total</b>	<b>39,942.09</b>	<b>38,342.25</b>
<b>Reconciliation of gross revenue with revenue from contracts with customers</b>		
Gross revenue (i.e. Contracted Price)	39,995.05	38,386.70
Less: Discounts, rebates, Price Concessions etc.	(52.96)	(44.45)
<b>Total</b>	<b>39,942.09</b>	<b>38,342.25</b>
<b>19 Other Income</b>		
Foreign exchange fluctuation (net)	84.65	131.00
<b>Interest income on financial assets measured at amortised cost</b>		
- Deposits with Banks	3.04	6.62
- Others	5.50	2.34
Profit on sale of Property, Plant and Equipment	4.82	-
Liabilities no longer required written back	143.08	32.35
Subsidy Income	-	26.62
Miscellaneous Income	-	15.05
<b>Total</b>	<b>241.09</b>	<b>213.98</b>
<b>20 Cost of materials consumed</b>		
Opening Stock of Raw Materials	2,618.09	883.39
Add: Purchases during the year	18,413.13	15,137.51
Add: Processing and Packing Charges	2,685.00	1,822.77
Less: Closing Stock of Raw Materials	7,120.69	2,618.09
<b>Cost of materials consumed</b>	<b>16,595.53</b>	<b>15,225.58</b>
<b>21 Changes in stock of finished goods and stock-in-trade</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods	5,906.56	5,475.01
<b>Less : Inventories at the end of the year</b>		
Finished Goods	1,272.73	5,906.56
<b>Net decrease / (Increase) in Inventories of finished goods and traded goods</b>	<b>4,633.83</b>	<b>(431.55)</b>
<b>22 Employee benefits expense</b>		
Salaries, wages and bonus	1,935.51	838.27
Contribution to provident fund and other fund (Refer Note 32)	78.92	42.08
Compensated absence expense (Refer Note 32)	19.42	7.11
Gratuity (Refer Note 32)	37.45	22.12
Staff welfare expenses	13.56	3.81
<b>Total</b>	<b>2,084.86</b>	<b>913.39</b>
<b>23 Finance costs</b>		
<b>Interest Expense on</b>		
-Term Loan	79.71	17.41
-Working Capital Loan	811.27	732.19
-Others	53.35	57.43
Bank Charges and Other Borrowing Costs	212.05	105.81
<b>Total</b>	<b>1,156.38</b>	<b>912.84</b>



	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>24 Depreciation and amortization expense</b>		
Depreciation on Property, Plant and Equipment (Refer Note 4A)	269.24	103.98
Amortisation of Right of Use Assets (Refer Note 4B)	18.51	18.65
<b>Total</b>	<b>287.75</b>	<b>122.63</b>
<b>25 Other expenses</b>		
Power and Fuel	208.10	27.18
Labour charges	51.27	5.36
Transportation expenses	125.34	112.58
Stores & Spares Consumed	112.72	17.05
<b>Repairs and maintenance</b>		
- Plant & Machinery	4.54	3.09
- Others	37.27	9.90
Insurance	26.09	31.71
Commission expenses	145.68	235.64
Freight and forwarding expenses	215.98	283.52
Security expenses	28.98	13.62
Legal and professional expenses	67.90	124.01
Payment to auditors (Refer Note (a) below)	7.43	5.00
Rates & taxes	27.95	29.12
Rent	177.19	28.95
Travelling and Conveyance expenses	19.86	12.33
Office & Factory expenses	10.75	6.26
Membership and subscription	4.65	1.18
Printing and stationery	6.47	3.37
Communication expense	3.70	3.99
Loss on Derivative Assets (forward contracts)	26.19	11.01
Postage and Courier expenses	20.32	18.90
Business promotion expenses	22.99	6.88
CSR Expense (Refer Note 39)	10.00	-
Balance Write Off	39.64	44.56
Miscellaneous expenses	6.92	26.95
<b>Total</b>	<b>1,407.93</b>	<b>1,062.16</b>
<b>(a) Payment to auditors</b>		
<b>As auditor (excluding applicable taxes)</b>		
Statutory audit fee	5.00	5.00
Certification fee	2.21	-
Other Services	0.23	-
<b>Total</b>	<b>7.43</b>	<b>5.00</b>



26 Income tax expense	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>(i) Income tax expense recognised in Statement of Profit and Loss and OCI:</b>		
<b>A Income tax expense recognised in Statement of Profit and loss:</b>		
Current tax expense/ (credit)	-	-
In respect of current year	139.02	182.50
In respect of earlier years	(8.45)	(13.18)
	<u>130.57</u>	<u>169.32</u>
Deferred tax expense / (credit)	-	-
In respect of current year	(15.24)	(29.59)
	<u>(15.24)</u>	<u>(29.59)</u>
<b>B Income tax expense recognised in OCI:</b>		
Deferred tax expense / (credit)	-	-
In respect of current year	(5.57)	(3.73)
	<u>(5.57)</u>	<u>(3.73)</u>
<b>(ii) Reconciliation of tax expense and the accounting profit</b>		
Profit before tax	565.86	653.28
Tax Rate applied	25.17%	27.82%
Income tax expense calculated at the applicable tax rate on Profit before tax	142.42	181.74
Adjustment in Tax due to the (tax benefit)/tax expenses	(3.40)	0.76
Expenses not deductible for tax purpose (net)	-	-
Others	-	-
Tax expense / (credit) in respect of earlier years	(8.45)	(13.18)
<b>Tax expenses recognised during the year</b>	<u>130.57</u>	<u>169.32</u>
Effective Tax Rate (%)	23.07	25.92
<b>Balance Sheet Section</b>		
Income Tax Liabilities (net)	90.69	109.58
Income Tax Asset (net)	138.89	130.19
<b>Total</b>	<u>48.20</u>	<u>20.61</u>

**(iii) Deferred tax**

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences.

Component of Deferred tax (liabilities)/assets are as follows:

Break up of Deferred tax (liabilities)/assets	As at April 01, 2022	Recognised in Statement of Profit and Loss	Recognised in OCI	As at March 31, 2023
Depreciation	(120.44)	(3.13)	-	(123.56)
Provision for gratuity	23.19	(2.03)	(5.57)	15.59
Provision for compensated absences	14.17	(4.28)	-	9.89
Fair valuation of Financial Instruments	(7.09)	7.27	-	0.18
Bonus	6.53	17.40	-	23.93
<b>Total</b>	<u>(83.65)</u>	<u>15.24</u>	<u>(5.57)</u>	<u>(73.97)</u>

Break up of Deferred tax (liabilities)/assets	As at April 01, 2021	Recognised in Statement of Profit and Loss	Recognised in OCI	As at March 31, 2022
Depreciation	(119.64)	(0.80)	-	(120.44)
Provision for gratuity	10.99	15.93	(3.73)	23.19
Provision for compensated absences	4.23	9.93	-	14.17
Fair valuation of Financial Instruments	(10.15)	3.06	-	(7.09)
Bonus	5.06	1.47	-	6.53
<b>Total</b>	<u>(109.51)</u>	<u>29.59</u>	<u>(3.73)</u>	<u>(83.65)</u>





The following table provides the details of income tax assets and income tax liabilities as of March 31, 2023 and March 31, 2022.

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax assets	138.89	130.19
Income tax liabilities	90.69	109.58
<b>Net income tax assets/ (liability)</b>	<b>48.20</b>	<b>20.61</b>

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters. Refer Note 28.

27 Capital and other commitments	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts in capital account remaining to be executed (net of advances)	-	23.83
<b>Total</b>	<b>-</b>	<b>23.83</b>

28 Contingent liabilities	As at March 31, 2023	As at March 31, 2022
(i) Direct tax matters	875.43*	923.20*
(ii) Indirect tax matters	-	-
<b>Total</b>	<b>875.43</b>	<b>923.20</b>

\* The Above mentioned amount is excluding interest outstanding on such demands.

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company is contesting the above demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities hence it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

29 Earning per share (EPS)	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Net Profit after tax for calculation of basic EPS	450.53	513.55
Weighted average number of equity shares for calculating Basic EPS	151,141,500	102,444,951
Nominal value per share (Rs) (Refer note 11 (i)(a))	2.00	2.00
Basic Earning Per Share (in Rupees)	0.30	0.50
Diluted Earning Per Share (in Rupees)	0.30	0.50



30 Financial Instruments

(i) Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements to optimise return to our shareholders through continuing growth. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company monitors capital structure using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings add capital creditors and less cash and short-term deposits (including other bank balance).

Particulars	Note	As at March 31, 2023	As at March 31, 2022
Total Borrowings	13	10,533.58	9,074.44
Add: Capital Creditors	16	37.86	225.76
Less: Cash & Bank Balance	5 & 9	144.04	143.44
<b>Net Debt (A)</b>		<b>10,427.40</b>	<b>9,156.76</b>
Total Equity (B)	11 & 12	5,441.01	4,973.93
Total Equity & Net Debt (C = A+B)		15,868.41	14,130.69
<b>Gearing Ratio</b>		<b>65.71%</b>	<b>64.80%</b>

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

(ii) Category-wise financial instruments:

The accounting classification of each category of financial instruments and their carrying amounts are set out below:

Financial Assets as at March 31, 2023	Refer Note	Amortised Cost	FVTPL	Total carrying value	Total fair value
<b>Non-current</b>					
Other financial assets	5	37.16	-	37.16	37.16
		<b>37.16</b>	<b>-</b>	<b>37.16</b>	<b>37.16</b>
<b>Current</b>					
Trade receivables	8	10,890.68	-	10,890.68	10,890.68
Cash and cash equivalents	9	13.04	-	13.04	13.04
Loans	10	2.74	-	2.74	2.74
Other financial assets	5	153.94	-	153.94	153.94
		<b>11,060.40</b>	<b>-</b>	<b>11,060.40</b>	<b>11,060.40</b>
<b>Total</b>		<b>11,097.56</b>	<b>-</b>	<b>11,097.56</b>	<b>11,097.56</b>
<b>Financial Liabilities as at March 31, 2023</b>	<b>Refer Note</b>	<b>Amortised Cost</b>	<b>FVTPL</b>	<b>Total carrying value</b>	<b>Total fair value</b>
<b>Non-current</b>					
Borrowings	13	2,353.09	-	2,353.09	2,353.09
		<b>2,353.09</b>	<b>-</b>	<b>2,353.09</b>	<b>2,353.09</b>
<b>Current</b>					
Borrowings	13	8,180.49	-	8,180.49	8,180.49
Trade payables	15	6,982.65	-	6,982.65	6,982.65
Other financial liabilities	16	122.00	0.70	122.70	122.70
		<b>15,285.14</b>	<b>0.70</b>	<b>15,285.84</b>	<b>15,285.84</b>
<b>Total</b>		<b>17,638.23</b>	<b>0.70</b>	<b>17,638.93</b>	<b>17,638.93</b>
<b>Financial Assets as at March 31, 2022</b>	<b>Refer Note</b>	<b>Amortised Cost</b>	<b>FVTPL</b>	<b>Total carrying value</b>	<b>Total fair value</b>
<b>Non-current</b>					
Other financial assets	5	102.52	-	102.52	102.52
		<b>102.52</b>	<b>-</b>	<b>102.52</b>	<b>102.52</b>
<b>Current</b>					
Trade receivables	8	12,443.62	-	12,443.62	12,443.62
Cash and cash equivalents	9	15.41	-	15.41	15.41
Loans	10	14.51	-	14.51	14.51
Other financial assets	5	130.71	25.49	156.20	156.20
		<b>12,604.25</b>	<b>25.49</b>	<b>12,629.74</b>	<b>12,629.74</b>
<b>Total</b>		<b>12,706.77</b>	<b>25.49</b>	<b>12,732.26</b>	<b>12,732.26</b>



Financial Liabilities as at March 31, 2022	Refer Note	Amortised Cost	FVTPL	Total carrying value	Total fair value
<b>Non-current</b>					
Borrowings	13	1,829.93	-	1,829.93	1,829.93
		<b>1,829.93</b>	<b>-</b>	<b>1,829.93</b>	<b>1,829.93</b>
<b>Current</b>					
Borrowings	13	7,244.51	-	7,244.51	7,244.51
Trade payables	15	7,814.02	-	7,814.02	7,814.02
Other financial liabilities	16	2,945.77	-	2,945.77	2,945.77
		<b>18,004.30</b>	<b>-</b>	<b>18,004.30</b>	<b>18,004.30</b>
<b>Total</b>		<b>19,834.23</b>	<b>-</b>	<b>19,834.23</b>	<b>19,834.23</b>

For description of the Company's financial instrument risks, including risk management objectives and policies is given in, Note 31. The methods used to measure financial assets and liabilities reported at fair value are described in below Note.

(iii) Fair Value Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Financial assets and financial liabilities measured at fair value in the Balance Sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

(a) The Company uses the following hierarchy for determining and/or disclosing the fair value of financial assets by valuation techniques:

Financial Assets as at March 31, 2023	Level 1 - Quoted price in	Level 2 - Significant observable inputs	Level 3 - Significant unobservable	Total
At fair value through profit or loss				
Derivative Assets / (Liabilities)	-	(0.70)	-	(0.70)
<b>Total</b>	<b>-</b>	<b>(0.70)</b>	<b>-</b>	<b>(0.70)</b>
Financial Assets as at March 31, 2022	Level 1 - Quoted price in	Level 2 - Significant observable inputs	Level 3 - Significant unobservable	Total
At fair value through profit or loss				
Derivative Assets / (Liabilities)	-	25.49	-	25.49
<b>Total</b>	<b>-</b>	<b>25.49</b>	<b>-</b>	<b>25.49</b>

(b) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.



**31 Financial Risk Management and Objective**

The Company is exposed to market risk, credit risk and liquidity risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company is primarily exposed to risks resulting from fluctuation in market risk, credit risk and liquidity risk, which may adversely impact the fair value of its financial instruments.

**(a) Credit Risk:**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

**(i) Trade receivables**

The Company primarily collects consideration in advance for export of goods and services to be provided to the customer. As a result, the Company is exposed to reasonable credit risk in respect to domestic trade receivables.

The impairment is based on expected credit loss model considering the historical data and financial position of individual customer at each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8.

The Company does not hold any collateral as security. The Company has low concentration of risk with respect to trade receivables, as its customers are widely spread and belong to diversified markets.

**(ii) Cash and cash equivalents, bank deposits and Security Deposits**

The Company maintains its cash and cash equivalents and bank deposits with reputed banks and financial institutions. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Company monitors the credit rating of the counterparties on regular basis. These instruments carry very minimal credit risk based on the financial position of parties and Company's historical experience of dealing with the parties.

**(b) Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include foreign currency receivables, deposits, investments in mutual funds.

Market risk exposures are measured using sensitivity analysis. There has been no change in the measurement and management of the Company's exposure to market risks.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Exposure to foreign currency risk is very limited. The Company has taken hedging instruments by way of forward contracts to hedge the foreign currency exposure in respect of trade receivables, and as far as trade payables are concerned, the Company's unhedged foreign currency exposure on account of foreign currency denominated payable as at March 31, 2023 is as follows:

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Trade payable	USD	850,343.42	1,925,636.87
Capital Creditor	USD	-	297,860.00
Trade payable	Rs. in lakhs	698.73	1,685.24

Closing rates as at March 31, 2023  
INR / USD = 82.17

Closing rates as at March 31, 2022  
INR / USD = 75.7925

The Company is mainly exposed to changes in USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Changes in USD rate by	Impact on profit or loss	As at March 31, 2023	As at March 31, 2022
+5%	Profit before tax decreased by	(34.94)	(84.26)
-5%	Profit before tax increased by	34.94	84.26





Notes to the financial statements for the year ended March 31, 2023

(Rs. in lakhs)

(ii) Unhedged foreign currency risk

The foreign currency exposure that have not been hedged by a derivative instrument or otherwise as at Balance sheet date are as follows:

Particulars	Currency	As at March 31, 2023 As at March 31, 2022	
Forward contract receivable	USD	1,010,207	843,449.28
Forward contract receivable	Rs. in Lakhs	830.09	639.27
<b>Changes in USD rate by</b>	<b>Impact on profit or loss</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
+5%	Profit before tax decreased by	41.50	31.96
-5%	Profit before tax increased by	(41.50)	(31.96)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings.

The sensitivity analysis have been carried out based on the exposure to interest rates for instruments not hedged against interest rate fluctuation at the end of the reporting period. The said analysis has been carried out on the amount of floating rate long term liabilities outstanding at the end of the reporting period. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

In case of fluctuation in interest rates by 50 basis points on the exposure on borrowing of Rs. 9,213.22 Lakhs as on March 31, 2023 (Rs.8,661.36 Lakhs as on March 31, 2022) and if all other variables were held constant, the Company's profit or loss for the year would increase or decrease as follows :

Changes in interest rate by	Impact on profit or loss	As at March 31, 2023 As at March 31, 2022	
Impact on Profit / (Loss) for the year	Profit before tax decreased/increased by	46.07	43.31

(c) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

During the year, the Company has been regular in repayment of principal and interest on borrowings on or before due dates. The Company did not have defaults of principal and interest as on reporting date.

Ultimate responsibility for liquidity risk management rests with the board of directors, who has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Contractual maturities of financial liabilities and assets

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2023 :

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Liabilities</b>				
Borrowings	8,180.49	2,255.81	238.61	10,674.91
Trade payables	6,982.65	-	-	6,982.65
Other financial liabilities	122.00	-	-	122.00
<b>Total</b>	<b>15,285.14</b>	<b>2,255.81</b>	<b>238.61</b>	<b>17,779.56</b>
<b>Assets</b>				
Trade receivables	10,890.68	-	-	10,890.68
Cash and cash equivalents	13.04	-	-	13.04
Loans	2.74	-	-	2.74
Other financial assets	153.94	37.16	-	191.10
<b>Total</b>	<b>11,060.40</b>	<b>37.16</b>	<b>-</b>	<b>11,097.56</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2022 :

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Liabilities</b>				
Borrowings	7,244.51	2,000.88	-	9,245.39
Trade payables	7,814.02	-	-	7,814.02
Other financial liabilities	2,945.77	-	-	2,945.77
<b>Total</b>	<b>18,004.30</b>	<b>2,000.88</b>	<b>-</b>	<b>20,005.18</b>
<b>Assets</b>				
Trade receivables	12,443.62	-	-	12,443.62
Cash and cash equivalents	15.41	-	-	15.41
Loans	14.51	-	-	14.51
Other financial assets	156.20	102.52	-	258.72
<b>Total</b>	<b>12,629.74</b>	<b>102.52</b>	<b>-</b>	<b>12,732.26</b>





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Notes to the financial statements for the year ended March 31, 2023

(Rs. in lakhs)

(d) Commodity Price Risk Management

The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of Fabric. The Company purchased substantially all of its fabric requirements from third parties in the open market during the year ended March 31, 2023.

The following table details the Company's sensitivity to a 0.5% movement in the input price of Fabric/ Yarn. The sensitivity analysis includes only 0.5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices increase by 0.5%. For a 0.5% reduction in commodity prices, there would be a comparable impact on profit or equity, and the balances below would be negative.

Commodity	Increase for the year ended		Decrease for the year ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Fabric / Yarn	(78.33)	(70.85)	78.33	70.85



32 Detail of Employees Benefits

(a) Defined Contribution Plans

The Company has defined contribution plan in form of Provident Fund, Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified rates to fund the schemes.

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Provident Fund	48.40	26.89
Employee State Insurance Scheme	30.20	15.00
<b>Total</b>	<b>78.60</b>	<b>41.88</b>

(b) Defined Benefits Plans

The Company provides for retirement benefits in the form of Gratuity. The Company's gratuity scheme (unfunded) provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service subject to a ceiling of Rs. 20 lakhs. Vesting occurs upon completion of 5 years of service.

The following tables set out the status of the gratuity plan (unfunded) and amounts recognised in the financial statements:

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>(i) Present value of defined benefit obligation</b>		
Balance at the beginning of the year	123.91	114.92
Current service cost	29.87	21.31
Interest Cost	7.58	6.40
<b>Remeasurement (gain)/loss:</b>		
Actuarial (gain)/loss arising from experience adjustments	(22.12)	(13.42)
Benefits paid	(10.33)	(5.30)
Past service cost	-	-
<b>Balance at the end of the year</b>	<b>128.91</b>	<b>123.91</b>
<b>(ii) Liability recognised in the Balance Sheet</b>		
Liability recognised in the Balance Sheet	128.91	123.91
<b>(iii) Cost of the defined benefit plan for the year</b>		
Current service cost	29.87	21.31
Interest cost	7.58	6.40
Past service cost	-	-
<b>Expense recognised in the Statement of Profit and Loss</b>	<b>37.45</b>	<b>27.71</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Actuarial (gain)/loss arising from experience adjustments	(22.12)	(13.42)
<b>Recognised in the Other Comprehensive Income</b>	<b>(22.12)</b>	<b>(13.42)</b>
<b>Total cost of the defined benefit plan for the year</b>	<b>15.33</b>	<b>14.28</b>

Note : Pursuant to the Business Transfer Agreement dated March 31, 2022, the Company has acquired the existing manufacturing unit of M/s. Vivaa Tradecom Private Limited ("VTPL") and the combined actuarial valuation effect of both the companies are considered for Financial year 2021-22.

(iv) Experience Adjustment

Experience adjustment on plan liabilities (gain) / loss	(12.97)	(8.35)
Actuarial Gain/(Loss) due to changes in assumptions	(9.14)	(5.40)

(v) Actuarial assumptions

Discount rate (p.a.)	7.30%	6.30%
Expected rate of salary increase (p.a.)	6% to 8%	6% to 8%
Mortality	IALM (2012-14) 100%	IALM (2012-14) 100%
Rate of employees turnover (p.a.)		
upto 25 years	30%	15%
25-35 years	25%	12%
35-45 years	20%	9%
45-55 years	10%	6%
55 years & above	5%	3%
Retirement age	60 years	60 years

Estimates of future salary increase takes into account: inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



(vi) Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation is given below:

Change in Assumption	Change in Rate	As at 31st March, 2023		As at 31st March, 2022	
		Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
Discount Rate	(- / + 0.5 %)	(1.44%) to (2.58%)	1.49% to 2.73%	(1.56%) to (4.38%)	1.61% to 4.73%
Salary Growth Rate	(- / + 0.5 %)	1.50% to 2.67%	(1.47%) to (2.55%)	1.60% to 4.49%	(1.56%) to (4.24%)
Attrition Rate	(- / + 0.5 %)	(0.70%) to (0.78%)	0.71% to 0.84%	(0.92%) to (1.16%)	1.28% to 0.97%

Sensitivities have been calculated to show the movement in Defined Benefit Obligation in isolation and assuming there are no other changes in market conditions at the accounting date. In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(vii) The weighted average duration of the benefit obligation as at March 31, 2023 is 4.50 years (as at March 31, 2022: 9.04 years)

(viii) Maturity profile of defined benefit plan

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	As at March 31, 2023	As at March 31, 2022
Within the next 12 months	29.87	4.73
Between 2 to 5 years	67.41	25.07
Beyond 5 years	47.81	32.06
<b>Total expected payments</b>	<b>145.09</b>	<b>61.86</b>

(e) Compensated absence:

The employees are entitled for leave for each year of service and part thereof, subject to the limits specified, the unavailed portion of such leaves can be accumulated or encashed during/at the end of the service period. The plan is unfunded.

Expenses recognised in the Statement of Profit and Loss amounts to Rs. 19.42 Lakhs (Previous year: 7.11 Lakhs)



33 Related Party Disclosures

Relationship	Name of Party
Key Management Personnel and Directors	Mr. Bhavik Parikh - Managing Director
	Mr. Nilay Vora - Whole-time Director
	Mr. Bhavin Parikh - CEO & CFO
	Mrs. Purvi Bhavin Parikh - Non Executive Director
	Mr. Bharat Samjinhai Patel - Independent Director
	Mr. Yogesh Vaidya Kanhiyalal - Independent Director
	Mr. Rajatkumar Dineshbhai Patel
	Mr. Faruk Diwan - Company Secretary
Enterprises over which Key Management personnel having control or significant influence (With whom transactions have taken place)	Kunthunath Impex LLP
	Globe Denwash Pvt Ltd
	Sukrut Consultancy
	Yogesh Kanhiyalal Vaidya-HUF
	Mrs. Shraddha Bhavik Parikh

(b) Transactions with the Related Parties

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Remuneration paid to Director's &amp; Key Managerial Personnel</b>		
Bhavik Parikh	35.72	35.08
Nilay Vora	9.81	9.50
Bhavin Parikh	27.44	27.08
Faruk Diwan	4.96	4.72
<b>Reimbursement paid to Director's &amp; Key Managerial Personnel</b>		
Bhavik Parikh	3.61	2.06
Nilay Vora	7.15	6.31
Faruk Diwan	0.14	0.04
<b>Kunthunath Impex LLP (formerly known as Parikh Impex Pvt. Ltd.)</b>		
Purchases	14.73	-
<b>Sukrut Consultancy</b>		
Professional Fees	3.60	-
<b>Yogesh Kanhiyalal Vaidya-HUF</b>		
Professional Fees	1.20	1.20
<b>Globe Denwash Pvt Ltd</b>		
Sales	265.34	188.27
Purchase and Job work	763.26	103.01
Funds given	-	264.75
Funds received back	-	264.75
Reimbursement of Expenses on account of Stock Destroyed in Fire	459.11	-
Reimbursement of Expenses	4.45	-
<b>Bhavikbhai Parikh</b>		
Funds Received	442.50	25.93
Funds Paid	65.34	-
<b>Bhavinbhai Parikh</b>		
Funds Received	298.00	500.00
Royalty Expense*	0.00*	0.00*
<b>Shraddha Parikh</b>		
Funds Received	202.50	-
<b>Nilay Vora</b>		
Funds Received	-	25.00

\*Amount less than 1000 is indicated by \*

Transactions with key management personnel

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Short-term employee benefits	77.94	76.37
<b>Total compensation paid to key management personnel</b>	<b>77.94</b>	<b>76.37</b>

Balance outstanding

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balances Payable</b>		
Bhavik Parikh	443.89	72.30
Nilay Vora	20.47	19.31
Bhavin Parikh*	833.95	502.96
Faruk Diwan	0.56	0.43
Shraddha Parikh	202.50	-

\* including Interest on Fair Valuation of Loan Received



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Notes to the financial statements for the year ended March 31, 2023

(Rs. in lakhs)

<b>Balances Receivables</b>		
Kunthunath Impex LLP	-	-
Globe Denwash Pvt Ltd	465.30	40.21
<b>Balances Payables</b>		
Sukrut Consultancy	2.16	-
Yogesh Kanhiyalal Vaidya-HUF	1.08	1.08

**Terms and conditions of transactions with related parties**

All related party transactions entered during the year were in ordinary course of the business and on arms length basis. Outstanding balances at the year end are unsecured and settlement occurs in cash. No guarantees were given or received by the Company.

As the liabilities for defined benefit obligations and compensated absences are provided based on actuarial valuation for the company as a whole, the amount pertaining to Key management personnel has not been included.





## 34 Ratio analysis

Ratio Analysis	UOM	For the year ended 31st March, 2023	For the year ended 31st March, 2022	Variance in %	Reason for increase in Ratio > 25%
<b>i) Current Ratio :</b> Current Assets (a) Current Liabilities (b) <b>Current Ratio (a/b)</b> Numerator - Total Current Assets Denominator - Total Current Liabilities	Rs. in Lakhs Rs. in Lakhs <b>Times</b>	20,626.49 15,929.16 <b>1.29</b>	22,514.23 18,869.13 <b>1.19</b>	<b>8.52%</b>	-
<b>ii) Debt-Equity Ratio:</b> Total Borrowings (a) Shareholder's Equity (b) <b>Debt - Equity Ratio (a/b)</b> Numerator - (Long term debt (including ICD) + current maturities of long term debt) Denominator - Total equity	Rs. in Lakhs Rs. in Lakhs <b>Times</b>	10,533.58 5,441.01 <b>1.94</b>	9,074.44 4,973.93 <b>1.82</b>	<b>6.11%</b>	-
<b>iii) Debt Service coverage Ratio :</b> Earnings available for Debt services (a) Interest + Installments (b) <b>Debt Service coverage Ratio (a/b)</b> Numerator - Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest on Non current Borrowing + other adjustments like loss on sale of Fixed assets etc. Denominator - Interest on non current borrowing (including ICD), Interest & Lease Payments + Principal Repayments	Rs. in Lakhs Rs. in Lakhs <b>Times</b>	1,682.61 (1,656.52) <b>(1.02)</b>	1,443.21 (1,258.95) <b>(1.15)</b>	<b>-11.39%</b>	-
<b>iii) Interest Coverage Ratio</b> EBIT Interest Expense	Rs. in Lakhs Rs. in Lakhs <b>Times</b>	1,797.94 944.33 <b>1.90</b>	1,582.94 807.03 <b>1.96</b>	<b>-2.93%</b>	-
<b>iv) Return on Equity Ratio :</b> Profit after Tax (a) Equity Shareholder's Fund (b) <b>Return on Equity Ratio (a/b)</b> Numerator - Profit after Taxes Denominator - Average of (Equity share capital + other equity)	Rs. in Lakhs Rs. in Lakhs <b>%</b>	450.53 5,207.47 <b>8.65%</b>	513.55 4,624.76 <b>11.10%</b>	<b>-22.09%</b>	-
<b>v) Inventory Turnover Ratio :</b> Sales (a) Average Inventory (b) <b>Inventory Turnover Ratio (a/b)</b> Numerator - Sales Denominator - (Opening Inventory+Closing)	Rs. in Lakhs Rs. in Lakhs <b>Times</b>	39,942.09 8,473.80 <b>4.71</b>	38,342.25 7,441.52 <b>5.15</b>	<b>-8.52%</b>	-
<b>vi) Trade Receivables turnover Ratio :</b> Annual net Credit Sales (a) Average Accounts Receivable (b) <b>Trade Receivables turnover Ratio (a/b)</b> Numerator - Annual net credit sale Denominator - (Opening trade receivable+Closing)	Rs. in Lakhs Rs. in Lakhs <b>Times</b>	39,942.09 11,667.15 <b>3.42</b>	38,342.25 11,803.40 <b>3.25</b>	<b>5.39%</b>	-
<b>vii) Trade Payables turnover Ratio :</b> Total Operating Expense (a) Average Accounts Payable (b) <b>Trade Payables turnover Ratio (a/b)</b> Numerator - Operating Expense + Other Expense - Denominator - (Opening trade payables+Closing)	Rs. in Lakhs Rs. in Lakhs <b>Times</b>	36,088.33 7,398.34 <b>4.88</b>	35,943.08 7,747.87 <b>4.64</b>	<b>5.15%</b>	-
<b>viii) Net Capital turnover Ratio :</b> Sales (a) Working capital (b) <b>Net Capital turnover Ratio (a/b)</b> Numerator - Total revenue from operations Denominator - Current Assets - Current liabilities	Rs. in Lakhs Rs. in Lakhs <b>Times</b>	39,942.09 4,697.33 <b>8.50</b>	38,342.25 3,645.10 <b>10.52</b>	<b>-19.16%</b>	-
<b>ix) Net Profit Ratio :</b> Profit after Tax (a) Sales (b) <b>Net Profit Ratio (a/b)</b> Numerator - Profit after tax Denominator - Total revenue from operations	Rs. in Lakhs Rs. in Lakhs <b>%</b>	450.53 39,942.09 <b>1.13%</b>	513.55 38,342.25 <b>1.34%</b>	<b>-15.79%</b>	-



<b>x) Return on Capital Employed :</b>					
Earnings before Interest and Taxes (a)	Rs. in Lakhs	1,510.19	1,460.31		
Capital Employed (b)	Rs. in Lakhs	15,974.59	14,048.37		
<b>Return on Capital Employed (a/b)</b>	%	<b>9.45%</b>	<b>10.39%</b>	<b>-9.05%</b>	-
Numerator - Earnings before Interest and Taxes					
Denominator - Shareholders' Equity + Total Borrowings - Intangible Assets					
<b>xi) Return on Investment :</b>					
Return or Profit or Earnings (a)	Rs. in Lakhs	450.53	513.55		
Investment (b)	Rs. in Lakhs	2,704.36	2,725.37		
<b>Return on Investment (a/b)</b>	%	<b>16.66%</b>	<b>18.84%</b>	<b>-11.59%</b>	-
Numerator - Profit after tax					
Denominator - Property, Plant & Equipment + Capital Work In Progress + Intangible Assets					



35 Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM is the Chief Executive Officer of the Company, who assesses the financial performance and position of the Company and makes strategic decisions. The Company's activities during the year revolve around Textile Manufacturing and Trading. Considering the nature of Company's business, as well as based on reviews by CODM to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS - 108 - "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015.

	For the Year Ended March 31, 2023	For the Year Ended March 31,
<b>36 Earnings in foreign currency</b>		
Export of goods on F.O.B basis*	7,253.83	9,388.21
* F.O.B Value is determined on the basis of shipping bills.		
<b>37 Expenditure in foreign currency (on accrual basis)</b>		
Bank Charges	12.24	10.09
Commission expenses	117.12	200.78
<b>Total</b>	<b>129.36</b>	<b>210.87</b>
<b>38 CIF Value of Imports</b>		
Raw Materials	20.04	15.03
Capital Goods	-	225.76
<b>Total</b>	<b>20.04</b>	<b>240.79</b>

39 Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibilities (CSR) activities.

The CSR activities of the Company are generally carried out through the registered charitable organisations. These organisations carry out the CSR activities as specified in Schedule VII of the Companies Act, 2013 on behalf of the Company. During the year, the Company has contributed INR 10.00 Lakhs out of which, INR 2.76 Lakhs are available for set off in succeeding financial years.

(i) Gross Amount required to be spent during the year INR 7.24 Lakhs (previous year INR Nil)

(ii) Amount Spent during the year ended:

Particulars	In cash	Yet to be paid cash	Total
<b>March 31, 2023</b>			
i) Construction/acquisition of any asset	-	-	-
ii) Contribution to various Trusts / NGOs / Societies / Agencies and utilization thereon	10.00	-	10.00
iii) Expenditure on Administrative Overheads for CSR	-	-	-
<b>March 31, 2022</b>			
i) Construction/acquisition of any asset	-	-	-
ii) Contribution to various Trusts / NGOs / Societies / Agencies and utilization thereon	-	-	-
iii) Expenditure on Administrative Overheads for CSR	-	-	-

(iii) Nature of CSR activities

Eradicating hunger, poverty and malnutrition, promoting education, including special education and employment enhancing vocation skills and livelihood enhancement projects.

(iv) Details of related party transactions:

Particulars	March 31, 2023	March 31, 2022
Contribution / Donation to related party	-	-

(v)

Particulars	March 31, 2023	March 31, 2022
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	-	-



**40 Recent Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

**41 The Company do not have any transaction to report against the following disclosure requirements as notified by MCA pursuant to amendment to Schedule III:**

1. Title deeds of immovable property not in the name of the Company
2. Crypto Currency or Virtual Currency
3. Benami Property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)
4. Registration of charges or satisfaction with Registrar of Companies
5. Transaction with Struck off Companies
6. Related to Borrowing of Funds:
  - i. Borrowing obtained on the basis of Security of Current Assets
  - ii. Willful defaulter
  - iii. Utilization of borrowed fund and share premium
  - iv. Discrepancy in utilization of borrowings

**42 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.**

**43 Events occurring after the Balance sheet Date**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. There are no subsequent events to be recognized or reported that are not already disclosed.

**44 Pursuant to the Business Transfer Agreement dated March 31, 2022, the Company has acquired the existing manufacturing unit of M/s. Vivaa Tradecom Private Limited ("VTPL") in a consideration of INR 2643.00 Lakhs. VTPL is engaged in the business of manufacturing/job work of garments and processing of fabrics. Post-acquisition, the Company has enhanced garments stitching capacity as well as its own process house.**

Details of the purchase consideration, the net identifiable assets and goodwill are as follows:

Particulars	Amount (Rs.)	
	In Lakhs)	
Total Consideration	2,643.00	
Net Identifiable Assets	2,643.00	
Excess/(Shortfall) Purchase Price to be Allocated	0.00	
Goodwill	0.00	





The acquisition date fair values of the assets taken over and liabilities assumed as a result of the acquisition are as follows:

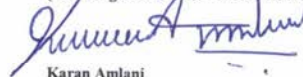
Particulars	Amount (Rs. In Lakhs)
Property, Plant and Equipment (Tangible Assets)	1,223.36
Long-term loans and advances	45.95
Inventories	1,143.75
Trade receivables	772.27
Cash and bank balances	-
Short-term loans and advances	151.68
<b>Identifiable Assets</b>	<b>3,337.01</b>
Trade payables	422.94
Other longterm liabilities	2.85
Other current liabilities	5.97
Short-term provisions	262.24
<b>Net Identifiable Assets</b>	<b>2,643.00</b>
Stake Acquired	Not Applicable
Net Identifiable Assets Transferred	2,643.00
<b>Recognition of Goodwill</b>	<b>-</b>
Consideration transferred	2,643.00
(Less): Net Identifiable Assets	(2,643.00)
Goodwill	-

**45 Approval of financial statements**

The financial statements were approved for issue by the board of directors on May 26, 2023.

**46 Previous year's figures have been regrouped and rearranged wherever necessary to confer to the current year's presentation.**

For SHAH DHANDHARIA & CO LLP  
Chartered Accountants  
(Firm Registration No. - 118707W/W100724)



Karan Amlani  
Partner  
(Membership No. - 193557)

For and on behalf of the Board of Directors of



Bhavik Parikh  
Managing Director  
DIN : 00038223



Bhavin Parikh  
Whole Time Director  
DIN : 02158990



Bhavin Parikh  
Chief Financial Officer



Varuk Diwan  
Company Secretary  
M. No : 41911

Place : Ahmedabad  
DATE: 26/05/2023



Place : Ahmedabad  
DATE: 26/05/2023





**OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

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

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

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

**A. LITIGATION INVOLVING THE COMPANY**

**(a) Criminal proceedings against the Company**

As on the date of this Letter of Offer, there are no outstanding criminal proceedings initiated against the Company.

**(b) Criminal proceedings filed by the Company**

As on the date of this Letter of Offer, there are no outstanding criminal proceedings initiated by the Company.

**(c) Actions by statutory and regulatory authorities against the Company**

As on the date of this Letter of Offer, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

**(d) Tax Proceedings**

- (i) Direct Tax: - (1) One Case Pending amount of Rs. 875.43 Lakhs.
- (ii) Indirect Tax - NIL

**(e) Other pending material litigations against the Company**

As on the date of this Letter of Offer, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Company**

As on the date of this Letter of Offer, there are no outstanding litigations initiated by the Company, which have been considered material by the Company in accordance with the Materiality Policy.

**B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

**(a) Criminal proceedings against the Promoters & Directors of the Company**

As on the date of this Letter of Offer, there are no outstanding criminal proceedings against the Promoters & Directors of the Company.

**(b) Criminal proceedings filed by the Promoters & Directors of the Company**

As on the date of this Letter of Offer, there are no outstanding criminal proceedings initiated by the Promoters and Directors of the Company.

**(c) Actions by statutory and regulatory authorities against the Promoters & Directors of the Company**

As on the date of this Letter of Offer, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors.

**(d) Tax Proceedings:**

- (i) Direct Tax – NIL
- (ii) Indirect Tax – NIL

**(e) Other pending material litigations against the Promoters & Directors of the Company**

As on the date of this Letter of Offer, there are no outstanding litigations initiated against the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Promoters & Directors of the Company**

As on the date of this Letter of Offer, there are no outstanding litigations initiated by the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**C. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY**

**(a) Criminal proceedings against our Group Companies**

As on the date of this Letter of Offer, there are no outstanding criminal proceedings initiated against our Group Companies.

**(b) Criminal proceedings filed by our Group Companies**

As on the date of this Letter of Offer, there are no outstanding criminal proceedings initiated by our Group Companies.

**(c) Actions by statutory and regulatory authorities against our Group Companies**

As on the date of this Letter of Offer, there are no outstanding actions by statutory or regulatory authorities initiated against our Group Companies.

**(d) Tax Proceedings**

- (i) Direct Tax- NIL
- (ii) Indirect Tax - NIL

**(e) Other pending material litigations against our Group Companies**

As on the date of this Letter of Offer, there are no outstanding litigations initiated against our Group Companies, which has been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by our Group Companies**

Except as mentioned below, as on the date of this Letter of Offer, there are no outstanding litigations initiated by our Group Companies, which have been considered material by the Company in accordance with the Materiality Policy.

**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 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.

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.

**Pending proceedings initiated against our Company for economic offences.**

There are no pending proceedings initiated against our Company for economic offences.

**Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 years against our Company.**

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment since incorporation against our Company.

**Material Fraud against our Company in the last five years**

There has been no material fraud committed against our Company since incorporation.

**Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences for default or outstanding defaults.

**Non-Payment of Statutory Dues**

Except as disclosed in the chapter titled "Financial Statements" beginning on page 99 there are have been no defaults or outstanding defaults in the payment of statutory dues payable under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948.

**Material Developments Occurring After Last Balance Sheet Date**

there have been no material developments that have occurred after the Last Balance Sheet date.

**GOVERNMENT AND OTHER STATUTORY APPROVALS**

Our Company 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 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 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 authorized by a resolution of the Board of Directors of our Company passed at their meeting held on January 09, 2024, 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 January 09, 2024 has approved to issue upto 15,11,41,500 Equity Shares to the Eligible Equity Shareholders on Right Issue basis and then after Rights Issue Committee (authorized by Board) in their meeting held on 19<sup>th</sup> February 2024 approved issue of Equity Shares on Rights Issue basis at Rs. 3 per Equity Share, in the ratio of January 09, 2024 Rights Equity Shares for every 1 Fully Paid-up Equity Shares as held by Eligible Equity Shareholders on the Record Date i.e. 23<sup>rd</sup> February 2024. The Issue Price of 3 per Equity Share has been arrived at prior to determination of the Record Date i.e. 23<sup>rd</sup> February 2024.

On application, investors will have to pay Rs. 3 per Rights Equity share.

Our Company has received "In-Principle Approval" from National Stock Exchange of India Limited vide its letter dated February 19, 2024 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 National Stock Exchange of India Limited to obtain its listing and trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE581X20013 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 167 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 is 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 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 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 wilful defaulters by any Bank or Financial Institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

**Compliance with Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, our Promoter 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 Letter of Offer.

**Eligibility for the Issue**

Our Company is a Listed Company incorporated under the Indian Companies Act, 1913. Our Equity Shares are presently listed on National Stock Exchange of India Limited (NSE). Our Company undertakes to make an application to 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, 2018**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, 2018 to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, 2018, our Company undertakes to make an application to the Stock Exchange and has received the “**In-Principle Approval**” vide its letter dated 19<sup>th</sup> February 2024 for listing of the Rights Equity Shares to be issued pursuant to this Issue. NSE is the Designated Stock Exchange for this Issue.

**Disclaimer clause of SEBI**

This 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 information and dissemination purpose.

**Disclaimer from our Company and our Directors**

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

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines

and approvals to acquire Equity shares of our Company, and are relying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

**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 Kolkata, India only.

**Disclaimer clause of NSE**

As required, a copy of this Letter of Offer has been submitted to National Stock Exchange India Limited. The Disclaimer clause as intimated by National Stock Exchange of India Limited to us, post scrutiny of this Letter of Offer is set out below:

**“As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/39734 dated February 19, 2024 permission to the Issuer to use the Exchange’s name in this letter of offer as one of the stock exchanges of which this Issuer’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 Issuer.**

**It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

**Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”**

**Designated Stock Exchange**

The Designated Stock Exchange for the purpose of the Issue is National Stock Exchange India Limited.

**Listing**

Our Company will apply to National Stock Exchange of India Limited 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. 23<sup>rd</sup> February 2024.**

**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. 23<sup>rd</sup> February 2024.**

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 them 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 THEREIN 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 authorized 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 SOLICITATION 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 Letter of Offer, our Company has not obtained any expert opinions.

**Performance vis-a-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-a-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.

**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 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 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.

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. Skyline Financial 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 167. 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  
Skyline Financial Services Private Limited  
CIN: U74899DL1995PTC071324  
Office: D/153A, 1st Floor, Okhla Industrial Area,  
Phase - I, New Delhi – 110 02.  
Tel.: +91-11-40450195/Fax +91-11-26812682  
Email: [info@skylinerta.com](mailto:info@skylinerta.com)  
website: [www.skylinerta.com](http://www.skylinerta.com)

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.

Mr. Faruk Diwan is Company Secretary and Compliance Officer of the Company.

## SECTION IX – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

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

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA facility.

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

Important:

#### **Dispatch and Availability of Issue Materials**

In accordance with the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

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

our Company at <https://globotextiles.net/>  
the Registrar at <https://www.skylinerta.com/>  
the Stock Exchanges at [www.nseindia.com](http://www.nseindia.com).

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit <https://www.skylinerta.com/>. Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e.,

<https://www.skylinerta.com/>) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at <http://globetextiles.net/>.

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders.

Please note that neither our Company nor the Registrar to the Issue shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of 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 this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

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

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.

#### **PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

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

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

Please note that, one single Application Form shall be used by Shareholders 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 and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders 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; or

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

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

#### **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://www.skylinerta.com/> and link of the same would also be available on the website of our Company at <http://globetextiles.net/>. 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 to the Issue 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”.

#### **Making of an Application through the ASBA process**

A shareholder, 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. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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

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>

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue 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.

#### **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 authorizing 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 179.

### **Do’s for Shareholders applying through ASBA:**

1. Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
2. 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.
3. Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
4. Ensure that you have authorized 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 Form and have signed the same.
5. 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.
6. 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.
7. 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 Shareholders applying through ASBA:**

1. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
2. Do not send your physical Application to the Registrar to the Issue, the Escrow Collection Bank(s) (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.
3. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
4. Do not submit Application Form using third party ASBA account.

### **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the websites of the Registrar to the Issue and Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be titled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

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

1. Name of our Company, being Globe Textiles (India) Limited;
2. 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);
3. Folio Number (in case of Eligible Equity Share holders who hold Equity Shares in physical form as on Record Date)/ DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialized form;
7. Number of Equity Shares entitled to;
8. Number of Equity Shares applied for within the Rights Entitlements;
9. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Equity Shares applied for;
11. Total amount paid at the rate of Rs. 3 per Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident 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;
14. Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders 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, as applicable, 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 to the Issue not having any liability to the Investors. The plain paper Application form at will be available on the website of the Registrar to the Issue at <https://www.skylinerta.com/>.

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

**Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. 23<sup>rd</sup> February 2024 and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar to the Issue or our Company, in the manner provided on the website of the Registrar to the Issue at <https://www.skylinerta.com/> at least two working days prior to the Issue Closing Date i.e. Friday, 15 March 2024, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date i.e. Friday, 15 March 2024. They may also communicate with the Registrar to the Issue with the help of the helpline number at 011-40450193-97 and email address at [ipo@skylinerta.com](mailto:ipo@skylinerta.com).

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

In 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. Friday, 15 March 2024, 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”.

#### 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. 23<sup>rd</sup> February 2024 and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details, the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two working days prior to the Issue Closing Date i.e. Friday, 15 March 2024;

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. Friday, 15 March 2024;

The Eligible Equity Shareholders can access the Application Form from:

- the website of the Registrar to the Issue at <https://www.skylinerta.com/>
- our Company at <https://globotextiles.net/> and
- the Stock Exchange at [www.nseindia.com](http://www.nseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (i.e., <https://www.skylinerta.com/>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e. <https://globotextiles.net/>);

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. Friday, 15 March 2024, may apply in this Issue during the Issue Period, on or before the Issue Closing Date i.e. Friday, 15 March 2024. 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:

1. apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
2. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
3. 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. 23<sup>RD</sup> FEBRUARY 2024 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”.



## Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "Basis of Allotment" mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

### General instructions for Investors

Please read the Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.

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. Friday, 15 March 2024, 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".

Please read the instructions on the Application Form sent to you.

The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.

Application should be made only through the ASBA facility.

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.

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" on page 183.

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.

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.

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 authorizing 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. Friday, 15 March 2024, (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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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:

1. Ensure that the Application Form and necessary details are filled in.
2. 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.
3. 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.

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:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
4. Do not pay the Application Money in cash, by money order, pay order or postal order.
5. Do not submit multiple Applications.

### **Grounds for Technical Rejection**

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

1. DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
2. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
3. 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.
4. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
5. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
6. Account holder not signing the Application or declaration mentioned therein.
7. Submission of more than one application Form for Rights Entitlements available in a particular demat account.
8. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
9. 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).
10. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
11. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
12. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
13. Physical Application Forms not duly signed by the sole or joint Investors.
14. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
15. 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.
16. Applications which have evidence of being executed or made in contravention of applicable securities laws.
17. 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.
18. 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 DEMATERIALISED FORM AND TO THE

SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE I.E. 23<sup>RD</sup> FEBRUARY 2024. 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.

1. Applications by non-resident Shareholders.
2. Payment from third party bank accounts.
3. 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 179.

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 45.

No separate Application Forms for Rights Equity Shares in physical and/or dematerialized form should be made. If such Application Forms are made, the Application Forms for Rights Equity Shares in physical form the Equity Shares will be treated as multiple Application Forms and is liable to be rejected.

#### **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 29th September, 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 January 09, 2024 has approved to issue upto 15,11,41,500 Equity Shares to the Eligible Equity Shareholders on Right Issue basis and then after Rights Issue Committee (authorized by Board) in their meeting held on January 09, 2024 approved issue of Equity Shares on Rights Issue basis at Rs. 3/- per Equity Share, in the ratio of 1 Rights Equity Shares for every 1 Fully Paid-up Equity Shares as held by Eligible Equity Shareholders on the Record Date. The Issue Price of 3/- per Equity Share has been arrived at prior to determination of the Record Date.

On application, investors will have to pay Rs. 3/- per Rights Equity share which constitutes 100% of the Issue price.

Our Company has received “In-Principle Approval” from National Stock Exchange of India Limited vide its letter dated February 19, 2024 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 National Stock Exchange of India Limited to obtain its listing and trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE581X20013 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 167 of the Letter of Offer.

## **PROCEDURE FOR APPLICATIONS BY CERTAIN CATEGORIES OF SHAREHOLDERS**

### **Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investors group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investors group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investors will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application 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, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event(i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

#### **Procedure for Applications by AIFs, FVCIs, VCFs and FDI route**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, 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.

No investment under the FDI route (i.e any investment which would result in the Investors 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.

#### **Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws and also 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 the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian Company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Shareholders"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

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 [cs@globetextiles.net](mailto:cs@globetextiles.net) or to RTA on [ipo@skylinerta.com](mailto:ipo@skylinerta.com) 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. Friday, 15 March 2024.

### **Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

### **Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")**

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) 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.

### **Last date for Application**

The last date for submission of the duly filled in the Application Form or a plain paper Application is Friday, 15 March 2024 i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as maybe extended by our Board or any committee thereof, the invitation to offer contained in this 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 set out in "Basis of Allotment" mentioned below.

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 or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### **Withdrawal of Application**

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

### **Disposal of Application and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches 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 Equity Shares allotted, will be refunded/unblocked in the respective bank accounts from which Application Money was received/ASBA Accounts of the Investors within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

**Rights Entitlements:**

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., 23<sup>rd</sup> February 2024, are entitled to the number of Rights Equity Shares as set out in the Application Form at [www.skylinerta.com](http://www.skylinerta.com). The link for the same shall also be available on the website of our Company at <https://globotextiles.net/>. 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. 23<sup>rd</sup> February 2024, have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to communicate with the Registrar to the Issue in the manner provided on their website i.e. <https://www.skylinerta.com/>. They may also communicate with the Registrar with the help of the helpline number at 011-40450193-97 and its email address at [ipo@skylinerta.com](mailto:ipo@skylinerta.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. 23<sup>rd</sup> February 2024.

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. 23<sup>rd</sup> February 2024.

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. 23<sup>rd</sup> February 2024.

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 to the Issue 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 to the Issue 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 to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

#### **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. Wednesday, 6 March 2024, 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, GLOBE TEXTILES (INDIA) LIMITED-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.

#### **RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT**

##### **Renounees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

##### **Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

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

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders 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.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

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 Shareholders / Investors.

#### **On Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock 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 INE581X20013 subject to requisite approvals. Prior to the Issue Opening Date i.e. 6<sup>th</sup> March 2024, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock 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., from 6<sup>th</sup> March 2024 to 12<sup>th</sup> March 2024 (both days inclusive).

The Shareholders 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 INE581X20013 and indicating the details of the Rights Entitlements they intend to trade. The Shareholders 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 Exchange and the SEBI.

#### **Off Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date i.e. 15<sup>th</sup> March, 2024, to enable Renounees to subscribe to the Equity Shares in the Issue.

The Shareholders 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 INE581X20013, 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 Shareholders 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.

#### **MODE OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds for this Letter of Offer. After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of

intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSCBC42/24.47.00/2003-04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

**Mode of payment for Resident Shareholders**

All payments on 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 Shareholders**

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

Individual non-resident Indian Applicants who are permitted to subscribe to Rights 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.

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.

**BASIS FOR THIS ISSUE AND TERMS OF THIS 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 our Equity Shares held in dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date i.e. 23<sup>rd</sup> February 2024 decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.



## **PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE**

### **Face Value**

Each Rights Equity Share will have the face value of Rs. 2.00/- per share.

### **Issue Price**

Each Rights Equity Share is being offered at a price of Rs. 3/- per Rights Equity Share (including share premium of Rs. 1/- per Rights Equity Share), in the Issue. On application, Investors will have to pay Rs. 3/- per Rights Equity share.

The Issue Price has been arrived at by our Company prior to the determination of the Record Date i.e. 23<sup>rd</sup> February 2024. 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 19<sup>th</sup> February 2024 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 Shares for every 1 Fully Paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. 23<sup>rd</sup> March 2024. The Board of Directors at its meeting held on 19<sup>th</sup> February 2024 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**

Rs. 3/- per Rights Equity Share (including share premium of Rs. 1 per Rights Equity Share) shall be payable on application.

Where an Applicant has applied for both Rights Entitlement and additional Rights Equity Shares and is allotted less number of Rights Equity Shares than applied for, the excess Application Money paid shall be refunded. The un-blocking of ASBA funds/refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

### **Record date for calls and suspension of trading**

Our Company would fix a Call Record Date giving [at least three working days] prior notice to the Stock Exchanges for the purpose of determining the list of Equity Shareholders to whom the notice for the Calls will be send. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the calls have been made may be suspended prior to the Call Record Date.

### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1 Rights Equity Shares for every 1 fully paid-up Equity Shares held by the eligible equity shareholders of our Company on the Record Date i.e. 23<sup>rd</sup> February 2024. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 1 Equity Shares or is not in multiples of 1, 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.

Also, those Equity Shareholders holding less than 1 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 Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the NSE through letter bearing reference number NSE/LIST/39734 dated 19<sup>th</sup> February 2024. Our Company will apply to the Stock Exchange for final approval for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, under the rules and regulations, prior to the Call Record Date, the trading of the Rights Equity Shares would be suspended. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the account under the Call notice for the final Call.

The existing Equity Shares are listed and traded on NSE (Symbol: GLOBE) under the ISIN: INE581X01021. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt to intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and members of the Promoter Group

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "Capital Structure – Intention and extent of participation by our Promoter" on page no. 19.

**Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

**Rights of the Rights Equity Shareholders**

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

1. The right to receive dividend, if declared;
2. The right to attend general meetings and exercise voting powers, unless prohibited by law;
3. The right to vote in person or by proxy;
4. The right to receive offers for rights shares and be allotted bonus shares, if announced;
5. The right to receive surplus on liquidation;
6. The right to free transferability of Rights Equity Shares;
7. The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
8. Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and 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 Rights Equity Shares in dematerialized mode is one Equity 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 the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

### **Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. 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 is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholder holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

### **Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialized form only. The market lot for trading of Rights Entitlements shall be One Equity 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 1 (One) English language national daily newspaper with wide circulation, 1 (One) Hindi language national daily newspaper with wide circulation and 1 (One) Bengali (Regional) daily newspaper with wide circulation at the place where our Registered Office is situated i.e. Kolkata, West Bengal.

### **Offer to Non-Resident Eligible Equity Shareholders / Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at <https://www.skylinerta.com/>. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and Our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been de recognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003.

Any Shareholder 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.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting the irrespective copies of self-attested proof of address, passport, etc.

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

PLEASE NOTE THAT THE 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 SHAREHOLDERS ON THE RECORD DATE.

### **Underwriting**

The Issue is not underwritten.

### **Issue Schedule**

Last date for credit of Rights entitlements	Wednesday, 28 <sup>th</sup> February 2024
Issue opening date	Wednesday, 6 <sup>th</sup> March 2024
Last Date on Market Renunciation of Rights/ Date of closure of trading of Rights Entitlements#	Tuesday, 12 <sup>th</sup> March 2024
Issue Closing Date*	Friday, 15 <sup>th</sup> March 2024
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	Tuesday, 19 <sup>th</sup> March 2024
Date of Allotment (on or about)	Wednesday, 20 <sup>th</sup> March 2024
Date of Credit (on or about)	Tuesday, 26 <sup>th</sup> March 2024
Date of Listing (on or about)	Friday, 29 <sup>th</sup> March 2024

# 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 but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

\*\*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.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. 23<sup>rd</sup> February 2024, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two working days prior to the Issue Closing Date, i.e., 15<sup>th</sup> March 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, atleast one day before the Issue Closing Date i.e., 15<sup>th</sup> March 2024.

### **Basis of Allotment**

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

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 Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of 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.

Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional 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 Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

Allotment to Renounees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such 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.

Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

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 Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

#### **ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS**

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. 15<sup>th</sup> March 2024. 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. 15<sup>th</sup> March 2024.

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., 23<sup>rd</sup> February 2024, 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. 15<sup>th</sup> March 2024, 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:

#### **Unblocking amounts blocked using ASBA facility.**

NACH–National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is other wise disclosed as eligible to get refunds through NEFT or Direct Creditor RTGS.

National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Shareholders' 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 Shareholders have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.

Direct Credit – Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

RTGS– If there fund amount exceeds Rs. 2,00,000/- the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investors.

For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demands drawn in favour of the sole/first Shareholders 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 OF SECURITIES**

#### **Receipt of the Equity Shares in Dematerialized Form**

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 Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-à-vis such information with the Shareholder's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of

the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholder's depository participant.

4. If in complete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the 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 e-mail 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 Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice / refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. 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”.

#### **IMPERSONATION**

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 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.

#### **UTILISATION OF ISSUE PROCEEDS**

Our Board declares that:

1. All monies received out of the Issue shall be transferred to a separate bank account;
2. 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;
3. 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

4. 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:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
9. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
10. 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.

## **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. Friday, 15<sup>th</sup> March 2024, 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 1 (One) 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 where the Equity Shares may be proposed to be listed.

## **SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS**

1. 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 23.
2. 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 Globe Textiles (India) Limited- Right Issue, on the envelope to the Registrar at the following address:
3. Email id: [ipo@skylinerta.com](mailto:ipo@skylinerta.com)
4. Registered Address: D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020

5. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/electronic dedicated Investor's 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://www.skylinerta.com/>. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is at 011-40450193-97.
6. The Shareholders can visit following links for the below-mentioned purposes:  
Frequently asked questions and online/electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: <https://globetextiles.net/>  
Updation of Indian address/e-mail address/phone or mobile number in the records maintained by the Registrar at [ipo@skylinerta.com](mailto:ipo@skylinerta.com) or our Company at [cs@globetextiles.net](mailto:cs@globetextiles.net).  
Updation of demat account details by Eligible Equity Shareholders holding shares in physical form at [ipo@skylinerta.com](mailto:ipo@skylinerta.com).  
Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders at [cs@globetextiles.net](mailto:cs@globetextiles.net)
7. This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the 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 upto 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 sectorial 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.

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.



**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.

**MATERIAL CONTRACTS**

1. Registrar Agreement dated “24<sup>th</sup> January 2024” entered into between our Company and the Registrar to the Issue.
2. Escrow Agreement dated “21<sup>st</sup> February 2024” amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

**DOCUMENTS FOR INSPECTION**

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation dated 4th October 1995.
3. Annual Reports of the Company for the year ended on March 31, 2023 and Limited Review Report for the Quarter ended on September 30, 2023.
4. Resolution of the Board of Directors dated 09th January 2024 in relation to the Issue and other related matters.
5. Consents of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Advisors to the Issue, Tax Advisors to the Issue, Statutory Auditor of 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.
6. Statement of Tax Benefits dated 24th January 2024 from the Statutory Auditor included in this Letter of Offer.
7. In-Principle approval dated 19<sup>th</sup> February 2024 issued by National Stock Exchange of India Limited.
8. 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.

## SECTION XI - DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue and 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 THE DIRECTORS OF OUR COMPANY**

Sd/-

**Bhavik Suryakant Parikh**  
**(Managing Director)**  
**DIN: 00038223**

Sd/-

**Purvi Bhavin Parikh**  
**(Director)**  
**DIN: 07732523**

Sd/-

**Nilaybhai Jagdishbhai Vora**  
**(Whole Time Director)**  
**DIN: 02158990**

Sd/-

**Bharat Shamjibhai Patel**  
**(Independent Director)**  
**DIN: 00243783**

Sd/-

**Rajatkumar Dineshbhai Patel**  
**(Independent Director)**  
**DIN: 09124295**

Sd/-

**Yogesh Kanhiyalal Vaidya**  
**(Independent Director)**  
**DIN: 00468732**

### **SIGNED BY THE KEY MANAGERIAL PERSONNEL(S) OF OUR COMPANY**

Sd/-

**Faruk Diwan**  
**(Company Secretary and Compliance Officer)**

Sd/-

**Bhavin Suryakant Parikh**  
**(Chief Financial Officer and Chief Executive Officer)**

**Date: 19<sup>th</sup> February 2024**

**Place: Ahmedabad**